

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

at 30 June 2005

	As at end of current quarter 30.06.2005 RM'000	As at preceding financial year end 31.12.2004 RM'000
Note		
NON-CURRENT ASSETS		
Property , Plant and equipment	137,724	119,725
Base Inventory	3,000	3,000
Investment in associates	14,967	14,669
Other Investment	1,108	1,108
Other assets	8,745	5,633
Goodwill on consolidation	9,922	9,922
CURRENT ASSETS		
Inventories	320,719	267,429
Trade receivables	75,308	112,432
Other receivables	33,715	22,745
Tax recoverable	-	119
Amount due from an associate	178	678
Cash, bank balances and deposits	73,621	112,981
	503,541	516,384
CURRENT LIABILITIES		
Trade payables	33,905	16,339
Other payables	17,739	39,355
Provisions for liabilities	4,528	4,562
Amount due to an associate	1,000	1,000
Taxation	2,707	32,390
Borrowings (unsecured)	261,818	241,327
	321,697	334,973
NET CURRENT ASSETS	181,844	181,411
	357,310	335,468
Financed by -		
Share capital	75,000	75,000
Reserves	193,480	173,435
Shareholders' equity	268,480	248,435
Minority interests	46,796	38,454
	315,276	286,889
NON-CURRENT LIABILITIES		
Provisions for liabilities	28,712	27,080
Deferred tax liabilities	4,577	5,646
Borrowings (unsecured)	8,745	15,853
	357,310	335,468

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2004 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 six months period ended 30 June 2005

	Note	← 2nd Quarter →		← Year to Date →	
		3 months ended		6 months ended	
		30.06.2005	30.06.2004	30.06.2005	30.06.2004
		RM'000	RM'000	RM'000	RM'000
Revenue		424,112	500,162	875,315	796,946
Profit from operations		25,763	39,645	58,465	58,695
Gross interest income		2,175	440	4,049	834
Finance cost		(2,398)	(1,071)	(4,119)	(2,040)
Share of profit / (loss) of associates		355	(640)	609	(404)
Profit before taxation		25,895	38,374	59,004	57,085
Taxation	15	(7,538)	(14,377)	(17,467)	(19,872)
Profit after taxation		18,357	23,997	41,537	37,213
Minority interest		(3,852)	(7,201)	(8,342)	(9,560)
Net profit for the period		14,505	16,796	33,195	27,653
Basic earnings per share (sen)	26	19.3	22.4	44.3	36.9
Net dividend per share (sen)	7			18.0	10.1
Net tangible assets per share (RM)				As at end of current quarter	As at preceding financial year end
				3.41	3.14

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.

MALAYSIA SMELTING CORPORATION BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months period ended 30 June 2005

Note	← Non - Distributable →					Distributable	
	Share capital RM ' 000	Capital reserve RM ' 000	Reserve on consolidation RM ' 000	Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Retained profits RM ' 000	Total RM ' 000
At 1 January, 2004	75,000	1,706	18,399	9,194	662	101,972	206,933
Foreign exchange differences representing net losses not recognised in the income statement	-	-	-	-	(228)	-	(228)
Deferred tax on revaluation surplus not recognised in the income statement	-	-	-	(55)	-	-	(55)
Net profit for the period	-	-	-	-	-	27,653	27,653
Dividend	-	-	-	-	-	(7,560)	(7,560)
At 30 June, 2004	<u>75,000</u>	<u>1,706</u>	<u>18,399</u>	<u>9,139</u>	<u>434</u>	<u>122,065</u>	<u>226,743</u>
At 1 January, 2005	75,000	1,706	13,880	9,194	1,298	147,357	248,435
Foreign exchange differences representing net losses not recognised in the income statement	-	-	-	-	389	-	389
Additional cost of investment	-	-	(39)	-	-	-	(39)
Net profit for the period	-	-	-	-	-	33,195	33,195
Dividend	7	-	-	-	-	(13,500)	(13,500)
At 30 June, 2005	<u>75,000</u>	<u>1,706</u>	<u>13,841</u>	<u>9,194</u>	<u>1,687</u>	<u>167,052</u>	<u>268,480</u>

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 2004 and the accompanying explanatory notes attached to the interim financial statements.

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

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months period ended 30 June 2005

	2005	2004
	RM'000	RM'000
Cash generated from / (used in) operations	40,723	(4,152)
Interest paid	(3,673)	(1,599)
Income tax paid	(47,926)	(17,417)
Severance benefits paid	(1,440)	(547)
Net cash from / (used in) operating activities	<u>(12,316)</u>	<u>(23,715)</u>
Investing Activities		
Purchase of property, plant and equipment	(27,565)	(6,811)
Deferred exploration and evaluation expenditure	(3,112)	-
Proceeds from disposal of property, plant and equipment	71	21
Investment	-	(5,407)
Interest received	3,043	764
Net cash used in investing activities	<u>(27,563)</u>	<u>(11,433)</u>
Financing Activities		
Borrowing from short term trade financing	19,970	32,808
Repayment of term loans	(5,951)	(5,950)
Dividend paid	(13,500)	(7,560)
	-	-
Net cash (used in) / from financing activities	<u>519</u>	<u>19,298</u>
Net Change in Cash & Cash Equivalents	(39,360)	(15,850)
Cash & Cash Equivalents at 1 January 2005	112,981	78,260
Cash & Cash Equivalents at 30 June 2005	<u>73,621</u>	<u>62,410</u>

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.