

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

at 31 December 2008

	As at end of current quarter 31.12.2008 RM'000	As at preceding financial year end 31.12.2007 RM'000
NON-CURRENT ASSETS		
Property, Plant and equipment	113,595	94,497
Prepaid land lease payments	1,298	1,354
Base Inventory	3,000	3,000
Mining rights	33,420	7,127
Investment in associates	194,500	28,464
Other investments	111	67,300
Other assets	49,358	30,062
Deferred tax asset	26,733	24,383
	422,015	256,187
CURRENT ASSETS		
Inventories	263,893	308,473
Trade receivables	154,462	160,075
Other receivables	132,582	60,465
Tax recoverable	6,747	1,544
Amount due from a related company	2,917	126
Amount due from associates	13,699	2,608
Cash, bank balances and deposits	72,580	51,930
	646,880	585,221
CURRENT LIABILITIES		
Trade payables	18,150	10,976
Other payables	60,498	44,222
Provisions for liabilities	1,003	2,906
Amount due to a related company	-	96
Amount due to an associate	550	500
Taxation	-	15,037
Borrowings (unsecured)	503,247	333,934
	583,448	407,671
NET CURRENT ASSETS	63,432	177,550
	485,447	433,737
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	75,000	75,000
Reserves	223,505	275,127
	298,505	350,127
Minority interests	44,986	45,416
Total Equity	343,491	395,543
NON-CURRENT LIABILITIES		
Provisions for liabilities	37,647	27,179
Deferred tax liabilities	2,034	2,015
Borrowing (unsecured)	102,275	9,000
	141,956	38,194
	485,447	433,737

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The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2008

	Note	← 4 th Quarter →		← Year to Date →	
		31.12.2008 RM'000	3 months ended 31.12.2007 RM'000	31.12.2008 RM'000	12 months ended 31.12.2007 RM'000
Revenue		405,099	735,033	2,276,367	1,913,143
Profit/ (Loss) from operations		(65,998)	80,692	3,900	131,506
Gross interest income		2,740	1,439	10,072	3,390
Gross interest expense		(8,571)	(4,372)	(24,782)	(14,620)
Share of profit/ (loss) of associates		(8,452)	68	(13,878)	719
Profit/ (Loss) before taxation		(80,281)	77,827	(24,688)	120,995
Taxation	16	2,387	(25,093)	(18,848)	(42,779)
Profit/ (Loss) for the period		(77,894)	52,734	(43,536)	78,216
Attributable to:					
Equity holders of the parent		(74,640)	45,334	(44,037)	67,441
Minority interest		(3,254)	7,400	501	10,775
		(77,894)	52,734	(43,536)	78,216
Basic earnings per share (sen)	27	(99.5)	60.4	(58.7)	89.9
Proposed/Declared dividend per share (sen)	28			-	20.0
Net assets per share attributable to ordinary holders of the parent (RM)				As at end of current quarter 3.98	As at preceding financial year end 4.67

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent							Minority Interest	Total Equity
	Share capital RM ' 000	Share premium RM ' 000	Non - Distributable		Distributable		Sub-total RM ' 000		
			Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Retained earnings RM ' 000				
Note	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000	
At 1 January, 2007	75,000	1,706	11,415	(5,140)	219,368	302,349	36,900	339,249	
Acquisition of a subsidiary	-	-	-	-	-	(8,713)	(2,533)	274	
Foreign exchange differences representing net loss not recognised in the income statement	-	-	-	(8,713)	-	(8,713)	(2,259)	(10,972)	
Net expense recognised directly in equity	-	-	-	-	67,441	67,441	10,775	78,216	
Profit for the period	-	-	-	(8,713)	67,441	58,728	8,516	67,244	
Total recognised income and expense for the period	-	-	-	-	(10,950)	(10,950)	-	(10,950)	
Dividend	-	-	-	-	-	-	-	-	
At 31 December, 2007	75,000	1,706	11,415	(13,853)	275,859	350,127	45,416	395,543	

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)

	Attributable to equity holders of the parent							Minority Interest	Total Equity
	Share capital RM ' 000	Share premium RM ' 000	Non - Distributable		Distributable		Sub-total RM ' 000		
			Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Retained earnings RM ' 000				
At 1 January, 2008	75,000	1,706	11,415	(13,853)	275,859	350,127	45,416	395,543	
Revaluation increase, net of deferred tax	-	-	3,414	-	-	3,414	-	3,414	
Foreign exchange differences representing net profit not recognised in the income statement	-	-	-	6,491	-	6,491	2,623	9,114	
Net income recognised directly in equity	-	-	3,414	6,491	-	9,905	2,623	12,528	
Profit/ (loss) for the period	-	-	-	-	(44,037)	(44,037)	501	(43,536)	
Total recognised income and expense for the period	-	-	3,414	6,491	(44,037)	(34,132)	3,124	(31,008)	
Dividend	-	-	-	-	(17,490)	(17,490)	(3,554)	(21,044)	
At 31 December, 2008	75,000	1,706	14,829	(7,362)	214,332	298,505	44,986	343,491	

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 2007 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2008

	2008	2007
	RM'000	RM'000
Cash generated from operations	75,170	43,326
Interest paid	(24,107)	(15,716)
Income tax paid	(41,731)	(24,976)
Severance benefits paid	(514)	(5,574)
Net cash from/ (used in) operating activities	<u>8,818</u>	<u>(2,940)</u>
Investing Activities		
Acquisition of a subsidiary	-	(411)
Purchase of property, plant and equipment	(29,059)	(14,512)
Purchase of shares in associates	(155,257)	(5,523)
Purchase of shares in other investments	-	(66,679)
Payment for an insurance scheme	(4,220)	(7,963)
Payment for mining rights	(28,980)	(2,000)
Payment of deferred mine development and exploration expenditure	(21,635)	(12,465)
Proceeds from disposal of property, plant and equipment	82	6,508
Net dividend received from an associate	35	34
Interest received	8,740	4,600
Net cash used in investing activities	<u>(230,293)</u>	<u>(98,411)</u>
Financing Activities		
Borrowing of short term trade financing	153,046	55,210
Borrowing of term loans	121,890	12,000
Repayment of term loans	(11,766)	(2,932)
Dividend paid	(21,044)	(10,950)
Net cash from financing activities	<u>242,126</u>	<u>53,328</u>
Net Change in Cash & Cash Equivalents	20,650	(48,023)
Cash & Cash Equivalents at 1 January	51,930	99,953
Cash & Cash Equivalents at 31 December	<u>72,580</u>	<u>51,930</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 2007 and the accompanying explanatory notes attached to the interim financial statements.