

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

at 30 June 2009

	As at end of current quarter 30.06.2009 RM'000	As at preceding financial year end 31.12.2008 RM'000
Note		
NON-CURRENT ASSETS		
Property, Plant and equipment	117,205	106,921
Prepaid land lease payments	1,377	1,298
Base Inventory	3,000	3,000
Mining rights	3,215	4,621
Investment in associates	192,610	194,500
Other investments	47,256	47,261
Other assets	74,622	64,728
Deferred tax asset	22,965	18,073
	462,250	440,402
CURRENT ASSETS		
Inventories	334,039	260,823
Trade receivables	116,463	154,464
Other receivables	93,976	84,946
Tax recoverable	32,722	32,722
Amount due from related companies	2,728	2,916
Amount due from associates	17,375	13,699
Cash, bank balances and deposits	55,397	72,574
	652,700	622,144
CURRENT LIABILITIES		
Trade payables	31,477	17,905
Other payables	59,204	48,157
Provisions for liabilities	2,200	320
Amount due to an associate	500	550
Taxation	4,950	18,836
Borrowings (unsecured) 21	490,436	503,247
	588,767	589,015
NET CURRENT ASSETS		
	63,933	33,129
	526,183	473,531
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	75,000	75,000
Reserves	224,763	221,499
	299,763	296,499
Minority interests	41,283	44,033
Total Equity	341,046	340,532
NON-CURRENT LIABILITIES		
Provisions for liabilities	28,534	28,691
Deferred tax liabilities	2,090	2,033
Borrowing (unsecured) 21	154,513	102,275
	185,137	132,999
	526,183	473,531

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

for the period ended 30 June 2009

	Note	← 2 nd Quarter →		← Year Date →	
		3 months ended		6 months ended	
		30.06.2009	30.06.2008	30.06.2009	30.06.2008
		RM'000	RM'000	RM'000	RM'000
Revenue		418,092	595,769	769,741	1,168,367
Profit from operations		19,573	11,845	13,472	40,833
Gross interest income		2,113	4,209	4,731	5,562
Gross interest expense		(6,973)	(4,488)	(13,848)	(8,429)
Share of loss of associates		(4,051)	(3,478)	(2,850)	(4,410)
Profit before taxation		10,662	8,088	1,505	33,556
Taxation	16	(4,254)	(5,484)	(3,690)	(13,443)
Profit/ (Loss) for the period		6,408	2,604	(2,185)	20,113
Attributable to:					
Equity holders of the Company		6,989	3,027	1,398	18,335
Minority interests		(581)	(423)	(3,583)	1,778
		6,408	2,604	(2,185)	20,113
Basic earnings per share (sen)	28	9.3	4.0	1.9	24.4
Proposed/Declared dividend per share (sen)	29			-	8.0
Net assets per share attributable to ordinary holders of the Company (RM)				4.00	3.95

As at end of current quarter As at preceding financial year end

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Note	Attributable to equity holders of the Company						Minority interests RM ' 000	Total Equity RM ' 000
	Share capital RM ' 000	Share premium RM ' 000	Non - Distributable Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Distributable Retained earnings RM ' 000	Sub-total RM ' 000		
At 1 January 2008	75,000	1,706	11,415	(13,853)	275,859	350,127	45,416	395,543
Foreign exchange differences representing net loss not recognised in the income statement	-	-	-	(2,034)	-	(2,034)	(785)	(2,819)
Net expense recognised directly in equity	-	-	-	(2,034)	-	(2,034)	(785)	(2,819)
Profit for the period	-	-	-	-	18,335	18,335	1,778	20,113
Total recognised income and expense for the period	-	-	-	(2,034)	18,335	16,301	993	17,294
Dividend	-	-	-	-	(13,050)	(13,050)	-	(13,050)
At 30 June 2008	75,000	1,706	11,415	(15,887)	281,144	353,378	46,409	399,787

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

	Attributable to equity holders of the Company						Minority Interests RM ' 000	Total Equity RM ' 000
	Share capital RM ' 000	Share premium RM ' 000	Non - Distributable		Distributable			
			Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Retained earnings RM ' 000	Sub-total RM ' 000		
Note								
At 1 January 2009	75,000	1,706	15,105	(7,344)	212,032	296,499	340,532	
Foreign exchange differences representing net gain not recognised in the income statement	-	-	-	1,866	-	1,866	2,699	
Net income recognised directly in equity	-	-	-	1,866	-	1,866	2,699	
Profit/ (loss) for the period	-	-	-	-	1,398	1,398	(2,185)	
Total recognised income and expense for the period	-	-	-	1,866	1,398	3,264	514	
Dividend	-	-	-	-	-	-	-	
At 30 June 2009	75,000	1,706	15,105	(5,478)	213,430	299,763	341,046	

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 2008 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the period ended 30 June 2009

	2009 RM'000	2008 RM'000
Cash used in operations	(4,918)	(43,094)
Interest paid	(15,836)	(8,109)
Income tax paid	(22,652)	(17,120)
Severance benefits paid	(1,055)	(101)
Net cash used in operating activities	<u>(44,461)</u>	<u>(68,424)</u>
Investing Activities		
Purchase of property, plant and equipment	(945)	(5,809)
Payment for prepaid lease payments	(112)	-
Purchase of shares in associates	(692)	(103,965)
Payment for an insurance scheme	-	(2,098)
Payment for mining rights	-	(181)
Payment of deferred mine development and exploration expenditure	(13,557)	(38,481)
Proceeds from disposal of property, plant and equipment	203	-
Interest received	4,945	5,561
Net cash used in investing activities	<u>(10,157)</u>	<u>(144,973)</u>
Financing Activities		
Borrowing of short term trade financing	46,141	164,267
Borrowing of term loans	-	115,350
Repayment of term loans	(8,701)	(1,500)
Dividend paid	-	(13,050)
Net cash from financing activities	<u>37,440</u>	<u>265,067</u>
Net Change in Cash & Cash Equivalents	(17,178)	51,670
Cash & Cash Equivalents at 1 January	72,575	51,930
Cash & Cash Equivalents at 30 June	<u>55,397</u>	<u>103,600</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 2008 and the accompanying explanatory notes attached to the interim financial statements.