

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

		As at 31.03.2013 Unaudited RM'000	As at 31.12.2012 Restated RM'000
Assets	Note		
Non-current assets			
Property, plant and equipment		79,797	79,210
Prepaid land lease payments		1,163	1,173
Base inventory		3,000	3,000
Intangible assets		8,452	8,675
Investment in associates and jointly controlled entities		158,637	162,103
Investment securities		13,512	13,520
Other non-current assets		7,069	6,451
Other receivables		58,824	28,306
Deferred tax assets		5,527	5,413
		335,981	307,851
Current assets			
Inventories		326,768	243,592
Trade and other receivables		152,668	189,814
Other current assets		7,475	7,219
Tax recoverable		7	217
Derivative financial instruments		313	312
Cash, bank balances and deposits		135,261	139,061
		622,492	580,215
Total assets		958,473	888,066
Equity and liabilities			
Current liabilities			
Provisions		38,093	39,816
Borrowings	19	442,982	429,501
Trade and other payables		176,820	167,471
Current tax payable		6,368	4,414
Derivative financial instruments		233	116
		664,496	641,318
Net current liabilities		(42,004)	(61,103)
Non-current liabilities			
Provisions		41,376	41,006
Deferred tax liabilities		609	130
Borrowings	19	37,041	7,656
Derivative financial instruments		254	369
		79,280	49,161
Total liabilities		743,776	690,479
Net assets		214,697	197,587
Equity attributable to owners of the Company			
Share capital		100,000	100,000
Share premium		76,372	76,372
Other reserves		24,304	25,687
Retained earnings		44,369	29,319
		245,045	231,378
Non-controlling interests		(30,348)	(33,791)
Total Equity		214,697	197,587
Total equity and liabilities		958,473	888,066

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 2012 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 2013

	Note	← 1 st Quarter →		← Year to Date →	
		3 months ended		3 months ended	
		31.03.2013 RM'000	31.03.2012 RM'000	31.03.2013 RM'000	31.03.2012 RM'000
Revenue		447,532	771,904	447,532	771,904
Profit from operations		30,979	8,959	30,979	8,959
Gross interest income		2,436	4,061	2,436	4,061
Gross interest expense		(3,903)	(4,594)	(3,903)	(4,594)
Share of results of associates and jointly controlled entities		(3,466)	274	(3,466)	274
Profit before tax	5	26,046	8,700	26,046	8,700
Income tax expense	17	(7,284)	(10,060)	(7,284)	(10,060)
Profit/(Loss) net of tax		18,762	(1,360)	18,762	(1,360)
Attributable to:					
Owners of the Company		15,050	5,673	15,050	5,673
Non-controlling interests		3,712	(7,033)	3,712	(7,033)
		18,762	(1,360)	18,762	(1,360)
Basic earnings per share (sen)	25	15.1	5.7	15.1	5.7
Proposed/Declared dividend per share (sen)	27	-	-	-	-
				As at end of current quarter	As at preceding financial year end
Net assets per share attributable to owners of the Company (RM)				2.45	2.31

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MALAYSIA SMELTING CORPORATION BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2013

Note	1 st Quarter 3 months ended		Year to Date 3 months ended	
	31.03.2013 RM'000	31.03.2012 RM'000	31.03.2013 RM'000	31.03.2012 RM'000
Profit/(Loss) net of tax	18,762	(1,360)	18,762	(1,360)
Other comprehensive income:				
Foreign currency translation	(1,825)	(6,701)	(1,825)	(6,701)
Net fair value changes in available-for-sale investment securities	(8)	1,019	(8)	1,019
Net fair value changes on cash flow hedges	181	(47)	181	(47)
Other comprehensive income for the period, net of tax	<u>(1,652)</u>	<u>(5,729)</u>	<u>(1,652)</u>	<u>(5,729)</u>
Total comprehensive income for the period	<u>17,110</u>	<u>(7,089)</u>	<u>17,110</u>	<u>(7,089)</u>
Total comprehensive income attributable to:				
Owners of the Company	13,667	1,096	13,667	1,096
Non-controlling interests	3,443	(8,185)	3,443	(8,185)
	<u>17,110</u>	<u>(7,089)</u>	<u>17,110</u>	<u>(7,089)</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2013

	Attributable to owners of the Company									
	← Non - Distributable					→ Distributable				
Note	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	Hedging reserves RM'000	Retained earnings RM'000	Non-controlling interests RM'000
At 1 January 2013 (as previously stated)	199,054	232,845	100,000	76,372	19,816	6,288	(379)	(38)	30,786	(33,791)
Effect of adoption IC Interpretation 20	(1,467)	(1,467)	-	-	-	-	-	-	(1,467)	-
At 1 January 2013 (as restated)	197,587	231,378	100,000	76,372	19,816	6,288	(379)	(38)	29,319	(33,791)
Total comprehensive income	17,110	13,667	-	-	-	(1,556)	(8)	181	15,050	3,443
At 31 March 2013	214,697	245,045	100,000	76,372	19,816	4,732	(387)	143	44,369	(30,348)

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

For the period ended 31 March 2012

	Attributable to owners of the Company									
	← Non - Distributable					→ Distributable				
Note	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 interests RM'000
At 1 January 2012 (as previously stated)	452,040	419,053	100,000	76,372	18,678	10,551	-	(89)	213,541	32,987
Effect of adoption IC Interpretation 20	(1,467)	(1,467)	-	-	-	-	-	-	(1,467)	-
At 1 January 2012 (as restated)	450,573	417,586	100,000	76,372	18,678	10,551	-	(89)	212,074	32,987
Total comprehensive income	(7,089)	1,096	-	-	-	(5,549)	1,019	(47)	5,673	(8,185)
At 31 March 2012	443,484	418,682	100,000	76,372	18,678	5,002	1,019	(136)	217,747	24,802

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2013

	Note	2013 RM'000	2012 RM'000
Operating activities			
Operating cash flows before changes in working capital		33,042	12,276
Increase in inventories		(83,905)	(34,103)
Decrease in receivables		34,166	89,018
Increase/(Decrease) in payables		9,111	(16,030)
Decrease in amount due to holding company		(31)	(6)
Increase in amount due to associates and jointly controlled entities		1,543	6,234
Cash (used in)/generated from operations		<u>(6,074)</u>	<u>57,389</u>
Income tax paid		(4,815)	(13,932)
Interest paid		(3,839)	(3,966)
Severance benefits paid		(1,031)	(87)
Net cash (used in)/generated from operating activities		<u>(15,759)</u>	<u>39,404</u>
Investing activities			
Interest received		2,215	4,014
Payment for deferred mine exploration and evaluation expenditure and deferred mine development expenditure		(526)	(2,280)
Payment for mine closure deposit		(30,089)	-
Proceeds from disposal of property, plant and equipment		10	174
Purchase of property, plant and equipment		(2,300)	(3,767)
Net cash used in investing activities		<u>(30,690)</u>	<u>(1,859)</u>
Financing activities			
Repayment of short term trade financing and other borrowings		(3,516)	(61,644)
Drawdown of long term borrowing		55,581	-
Repayment of term loans		(6,953)	(7,340)
Net cash generated from/(used in) financing activities		<u>45,112</u>	<u>(68,984)</u>
Net decrease in cash and cash equivalents		(1,337)	(31,439)
Effect of changes in foreign exchange rates		469	(4,354)
Cash and cash equivalents as at 1 January		134,800	234,491
Cash and cash equivalents as at 31 March		<u>133,932</u>	<u>198,698</u>
Cash and bank balances comprise the following at 31 March:			
		2013	2012
		RM'000	RM'000
Cash and short term deposits		72,906	137,738
Amounts reserved for the development of new mines		61,026	62,300
Bank overdrafts		-	-
		<u>133,932</u>	<u>200,038</u>
Deposit of more than three months maturity with a licensed bank		1,329	1,206
Cash and bank balances		<u>135,261</u>	<u>201,244</u>
Cash and cash equivalents comprise the following at 31 March:			
		2013	2012
		RM'000	RM'000
Cash and short term deposits		133,932	200,038
Bank overdrafts		-	(1,340)
		<u>133,932</u>	<u>198,698</u>

Included in cash and cash equivalents of the Group, is an amount of RM61,026,000 (2012: RM62,300,000) reserved for the development of new mines through the selective acquisitions of suitable mining concessions or leases, as well as mining projects and assets primarily in Malaysia, Indonesia and other countries.

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