

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

		As at 30.06.2013 Unaudited RM'000	As at 31.12.2012 Restated RM'000
Assets	Note		
Non-current assets			
Property, plant and equipment		80,443	79,210
Prepaid land lease payments		1,164	1,173
Base inventory		3,000	3,000
Intangible assets		8,601	8,675
Investment in associates and jointly controlled entities		158,763	162,103
Investment securities		14,090	13,520
Other non-current assets		6,940	6,451
Other receivables		60,296	28,306
Deferred tax assets		7,564	5,413
		340,861	307,851
Current assets			
Inventories		305,508	243,592
Trade and other receivables		181,504	189,814
Other current assets		7,397	7,219
Tax recoverable		3	217
Derivative financial instruments		226	312
Cash, bank balances and deposits		125,039	139,061
		619,677	580,215
Total assets		960,538	888,066
Equity and liabilities			
Current liabilities			
Provisions		39,105	39,816
Borrowings	19	443,002	429,501
Trade and other payables		183,216	167,471
Current tax payable		8,775	4,414
Derivative financial instruments		3,256	116
		677,354	641,318
Net current liabilities		(57,677)	(61,103)
Non-current liabilities			
Provisions		42,385	41,006
Deferred tax liabilities		620	130
Borrowings	19	33,313	7,656
Derivative financial instruments		13	369
		76,331	49,161
Total liabilities		753,685	690,479
Net assets		206,853	197,587
Equity attributable to owners of the Company			
Share capital		100,000	100,000
Share premium		76,372	76,372
Other reserves		25,503	25,687
Retained earnings		39,490	29,319
		241,365	231,378
Non-controlling interests		(34,512)	(33,791)
Total Equity		206,853	197,587
Total equity and liabilities		960,538	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 30 June 2013

Note	← 2 nd Quarter →		← Year to Date →		
	3 months ended		6 months ended		
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000	
Revenue	404,498	543,783	852,030	1,315,687	
Profit/(Loss) from operations	2,471	(71,845)	33,450	(62,886)	
Gross interest income	1,248	2,793	3,684	6,854	
Gross interest expense	(3,539)	(4,396)	(7,442)	(8,990)	
Share of results of associates and jointly controlled entities	126	(1,532)	(3,340)	(1,258)	
Profit/(Loss) before exceptional items	5	306	(74,980)	26,352	(66,280)
Exceptional items	6	(3,743)	(2,073)	(3,743)	(2,073)
(Loss)/Profit before tax		(3,437)	(77,053)	22,609	(68,353)
Income tax expense	17	(4,671)	18,122	(11,955)	8,062
(Loss)/Profit net of tax		(8,108)	(58,931)	10,654	(60,291)
Attributable to:					
Owners of the Company		(4,879)	(46,212)	10,171	(40,539)
Non-controlling interests		(3,229)	(12,719)	483	(19,752)
		(8,108)	(58,931)	10,654	(60,291)
Basic (loss)/earnings per share (sen)	25	(4.9)	(46.2)	10.2	(40.5)
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)			2.41	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 30 June 2013

Note	2 nd Quarter 3 months ended		Year to Date 6 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
(Loss)/Profit net of tax	(8,108)	(58,931)	10,654	(60,291)
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	1,141	7,253	(684)	552
Net fair value changes in available-for-sale investment securities	387	2,928	379	3,947
Net fair value changes on cash flow hedges	(1,264)	38	(1,083)	(9)
Other comprehensive income for the period, net of tax	264	10,219	(1,388)	4,490
Total comprehensive income for the period	<u>(7,844)</u>	<u>(48,712)</u>	<u>9,266</u>	<u>(55,801)</u>
Total comprehensive income attributable to:				
Owners of the Company	(3,680)	(36,938)	9,987	(35,842)
Non-controlling interests	(4,164)	(11,774)	(721)	(19,959)
	<u>(7,844)</u>	<u>(48,712)</u>	<u>9,266</u>	<u>(55,801)</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 2012 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 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 I.C 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	9,266	9,987	-	-	-	520	379	(1,083)	10,171	(721)	
At 30 June 2013	206,853	241,365	100,000	76,372	19,816	6,808	-	(1,121)	39,490	(34,512)	

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)
For the period ended 30 June 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	(55,801)	(35,842)	-	-	-	759	3,947	(9)	(40,539)	(19,959)
Dividend on ordinary shares	(13,500)	(13,500)	-	-	-	-	-	-	(13,500)	-
At 30 June 2012	381,272	368,244	100,000	76,372	18,678	11,310	3,947	(98)	158,035	13,028

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2013

	Note	6 months ended	
		30.06.2013 RM'000	30.06.2012 RM'000
Operating activities			
Operating cash flows before changes in working capital		51,545	(35,368)
(Increase)/Decrease in inventories		(71,597)	46,657
Decrease in receivables		5,840	58,692
Increase in payables		7,753	9,029
Decrease in amount due to holding company		(5)	(30)
Increase in amount due to associates and jointly controlled entities		12,541	4,924
Cash generated from operations		6,077	83,904
Income tax paid		(8,679)	(25,124)
Interest paid		(7,535)	(8,323)
Severance benefits paid		(1,125)	(1,250)
Net cash (used in)/generated from operating activities		(11,262)	49,207
Investing activities			
Interest received		3,426	6,834
Payment for deferred mine exploration and evaluation expenditure and deferred mine development expenditure		(528)	(1,487)
Payment for mining rights		(378)	(4,500)
Payment for mine closure deposit		(30,089)	-
Proceeds from disposal of property, plant and equipment		10	1,043
Purchase of investment securities		(3,933)	-
Purchase of property, plant and equipment		(4,513)	(5,191)
Purchase of shares in associates and jointly controlled entities		-	(1,274)
Net cash used in investing activities		(36,005)	(4,575)
Financing activities			
Dividends paid on ordinary shares		-	(13,500)
Repayment of short term trade financing and other borrowings		(1,079)	(37,434)
Drawdown of term loan		55,581	-
Repayment of term loans		(18,483)	(16,459)
Net cash generated from/(used in) financing activities		36,019	(67,393)
Net decrease in cash and cash equivalents		(11,248)	(22,761)
Effect of changes in foreign exchange rates		158	29
Cash and cash equivalents as at 1 January		134,800	234,491
Cash and cash equivalents as at 30 June		123,710	211,759

	2013 RM'000	2012 RM'000
Cash and bank balances comprise the following at 30 June:		
Cash and short term deposits	66,617	152,552
Amounts reserved for the development of new mines and mining projects	57,093	62,300
	123,710	214,852
Deposit of more than three months maturity with a licensed bank	1,329	1,206
Cash and bank balances	125,039	216,058

	2013 RM'000	2012 RM'000
Cash and cash equivalents comprise the following at 30 June:		
Cash and short term deposits	123,710	214,852
Bank overdrafts	-	(3,093)
	123,710	211,759

Included in cash and cash equivalents of the Group, is an amount of RM57,093,000 (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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