

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

at 30 June 2007

	As at end of current quarter 30.06.2007 RM'000	As at preceding financial year end 31.12.2006 RM'000
Note		
NON-CURRENT ASSETS		
Property, Plant and equipment	98,441	95,568
Base Inventory	3,000	3,000
Investment in associates	19,387	18,419
Other investments	87	249
Prepaid land lease payments	1,422	1,472
Other assets	19,750	16,509
Deferred tax asset	14,767	14,955
Mining rights	6,221	6,944
CURRENT ASSETS		
Inventories	291,351	300,977
Trade receivables	53,832	70,327
Other receivables	91,783	80,964
Tax recoverable	16,212	14,852
Amount due from a related company	981	517
Amount due from associates	713	671
Cash, bank balances and deposits	55,422	99,953
	<u>510,294</u>	<u>568,261</u>
Non-current asset classified as held for sale	-	4,660
	<u>510,294</u>	<u>572,921</u>
CURRENT LIABILITIES		
Trade payables	18,500	30,363
Other payables	27,222	38,539
Provisions for liabilities	3,851	3,087
Amount due to an associate	500	500
Taxation	3,561	2,006
Borrowings (unsecured) 20	227,000	283,281
	<u>280,634</u>	<u>357,776</u>
NET CURRENT ASSETS	<u>229,660</u>	<u>215,145</u>
	<u>392,735</u>	<u>372,261</u>
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	75,000	75,000
Reserves	234,537	227,349
	<u>309,537</u>	<u>302,349</u>
Minority interests	<u>37,947</u>	<u>36,900</u>
Total Equity	<u>347,484</u>	<u>339,249</u>
NON-CURRENT LIABILITIES		
Provisions for liabilities	32,840	31,111
Deferred tax liabilities	1,911	1,901
Borrowing (unsecured) 20	10,500	-
	<u>45,251</u>	<u>33,012</u>
	<u>392,735</u>	<u>372,261</u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2006 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 period ended 30 June 2007

	Note	← 2 nd Quarter →		← Year to Date →	
		3 months ended		6 months ended	
		30.06.2007	30.06.2006	30.06.2007	30.06.2006
		RM'000	RM'000	RM'000	RM'000
Revenue		329,717	377,419	687,588	694,051
Profit from operations		19,053	12,071	31,393	29,403
Gross interest income		463	813	984	1,368
Gross interest expense		(3,058)	(2,892)	(5,982)	(6,701)
Share of profit of associates		233	519	407	222
Profit before taxation		16,691	10,511	26,802	24,292
Taxation	16	(6,690)	(2,763)	(10,550)	(7,257)
Profit for the period		10,001	7,748	16,252	17,035
Attributable to:					
Equity holders of the parent		8,138	10,041	14,647	19,814
Minority interest		1,863	(2,293)	1,605	(2,779)
		10,001	7,748	16,252	17,035
Basic earnings per share (sen)	27	10.9	13.4	19.5	26.4
Net dividend per share (sen)	8			8.8	13.6
				As at end of current quarter	As at preceding financial year end
Net assets per share attributable to ordinary holders of the parent (RM)				4.13	4.03

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Note	Attributable to equity holders of the parent							Minority Interest RM ' 000	Total Equity RM ' 000
	Non - Distributable				Distributable				
	Share capital RM ' 000	Share premium RM ' 000	Reserve on consolidation RM ' 000	Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Retained earnings RM ' 000	Sub-total RM ' 000		
At 1 January, 2006 As previously stated	75,000	1,706	13,880	11,415	420	181,673	284,094	36,684	320,778
Effects of adopting :									
<u>FRS 121</u> Transfer of exchange differences to retained earnings	-	-	-	-	1,495	(1,495)	-	-	-
At 1 January 2006 (restated)	75,000	1,706	13,880	11,415	1,915	180,178	284,094	36,684	320,778
<u>FRS 3</u> Transfer of reserve on consolidation to opening retained earnings	-	-	(13,880)	-	-	13,880	-	-	-
	75,000	1,706	-	11,415	1,915	194,058	284,094	36,684	320,778
Foreign exchange differences representing net losses not recognised in the income statement	-	-	-	-	(3,787)	-	(3,787)	-	(3,787)
Net expense recognised directly in equity	-	-	-	-	(3,787)	-	(3,787)	-	(3,787)
Profit/ (loss) for the period	-	-	-	-	-	19,814	19,814	(2,779)	17,035
Total recognised income and expense for the period	-	-	-	-	(3,787)	19,814	16,027	(2,779)	13,248
Dividend	-	-	-	-	-	(10,200)	(10,200)	-	(10,200)
At 30 June, 2006	75,000	1,706	-	11,415	(1,872)	203,672	289,921	33,905	323,826

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

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

Note	Attributable to equity holders of the parent						Minority Interest RM ' 000	Total Equity RM ' 000	
	Share capital RM ' 000	Non - Distributable			Foreign exchange reserve RM ' 000	Distributable Retained earnings RM ' 000			Sub-total RM ' 000
		Share premium RM ' 000	Revaluation reserve 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							274	274	
Foreign exchange differences representing net loss not recognised in the income statement	-	-	-	(889)	-	(889)	(832)	(1,721)	
Net expense recognised directly in equity	-	-	-	(889)	-	(889)	(558)	(1,447)	
Profit for the period	-	-	-	-	14,647	14,647	1,605	16,252	
Total recognised income and expense for the period	-	-	-	(889)	14,647	13,758	1,047	14,805	
Dividend	-	-	-	-	(6,570)	(6,570)	-	(6,570)	
At 30 June, 2007	75,000	1,706	11,415	(6,029)	227,445	309,537	37,947	347,484	

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 2006 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 period ended 30 June 2007

	2007	2006
	RM'000	RM'000
Cash generated from/ (used in) operations	39,098	(5,741)
Interest paid	(7,596)	(6,193)
Income tax paid	(11,025)	(15,953)
Severance benefits paid	(2,604)	(4,158)
Net cash from/ (used in) operating activities	<u>17,873</u>	<u>(32,045)</u>
Investing Activities		
Acquisition of a subsidiary	(411)	-
Purchase of property, plant and equipment	(10,563)	(2,159)
Payment of deferred mine development and exploration expenditure	(7,203)	(228)
Proceeds from disposal of property, plant and equipment	6,333	22,733
Gross dividend received from an associate	-	47
Interest received	2,234	1,455
Net cash (used in)/ from investing activities	<u>(9,610)</u>	<u>21,848</u>
Financing Activities		
(Repayment)/ Borrowing of short term trade financing	(56,759)	14,918
Borrowing of term loan	12,000	-
Repayment of term loans	(1,465)	(5,951)
Dividend paid	(6,570)	(10,200)
Net cash used in financing activities	<u>(52,794)</u>	<u>(1,233)</u>
Net Change in Cash & Cash Equivalents	(44,531)	(11,430)
Cash & Cash Equivalents at 1 January	99,953	64,582
Cash & Cash Equivalents at 30 June	<u>55,422</u>	<u>53,152</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 2006 and the accompanying explanatory notes attached to the interim financial statements.