

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

at 31 December 2004

	As at end of current quarter 31.12.2004 RM'000	As at preceding financial year end 31.12.2003 RM'000
Note		
NON CURRENT ASSETS		
Property , Plant and equipment	125,668	113,864
Base Inventory	3,000	3,000
Investment in associates	14,509	30,616
Investment	1,108	-
Goodwill on consolidation	7,853	-
CURRENT ASSETS		
Inventories	270,542	211,038
Trade receivables	111,374	36,001
Other receivables	22,626	10,747
Tax recoverable	-	9
Amount due from an associate	-	2,536
Cash, bank balances and deposits	112,980	78,260
	<u>517,522</u>	<u>338,591</u>
CURRENT LIABILITIES		
Trade payables	16,632	17,828
Other payables	42,492	15,459
Provisions for liabilities	1,042	1,902
Amount due to an associate	322	1,000
Taxation	32,585	12,183
Borrowings (unsecured) 19	241,948	139,433
	<u>335,021</u>	<u>187,805</u>
NET CURRENT ASSETS	<u>182,501</u>	<u>150,786</u>
	<u><u>334,639</u></u>	<u><u>298,266</u></u>
Financed by -		
Share capital	75,000	75,000
Reserves	170,913	131,933
	<u>245,913</u>	<u>206,933</u>
Shareholders' equity	245,913	206,933
Minority interests	38,129	31,362
	<u>284,042</u>	<u>238,295</u>
NON-CURRENT LIABILITIES		
Provisions for liabilities	30,544	22,629
Deferred tax liabilities	4,821	9,266
Borrowings (unsecured) 19	15,232	28,076
	<u>30,597</u>	<u>31,971</u>
	<u><u>334,639</u></u>	<u><u>298,266</u></u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2003 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 year ended 31 December 2004

	Note	← 4 th Quarter →		← Year to Date →	
		3 months ended		12 months ended	
		31.12.2004	31.12.2003	31.12.2004	31.12.2003
		RM'000	RM'000	RM'000	RM'000
Revenue		579,590	276,700	1,862,529	783,377
Profit from operations		36,624	15,667	131,679	56,692
Gross interest income		1,149	(26)	2,931	1,362
Finance cost		(1,704)	(761)	(4,869)	(2,731)
Share of profit / (loss) of associates		958	(859)	1,119	(2,074)
Profit before taxation		37,027	14,021	130,860	53,249
Taxation	15	(15,141)	(2,803)	(50,871)	(16,019)
Profit after taxation		21,886	11,218	79,989	37,230
Minority interest		(3,745)	(2,072)	(20,207)	(8,274)
Net profit for the year		18,141	9,146	59,782	28,956
Basic earnings per share (sen)	26	24.2	12.2	79.7	38.6
Net dividend per share (sen)	7			20.9	18.0
Net tangible assets per share (RM)				3.14	2.72

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2003 and the accompanying explanatory notes attached to the interim financial statements.

MALAYSIA SMELTING CORPORATION BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2004

Note	← Non - Distributable →					Distributable	
	Share capital RM ' 000	Capital reserve RM ' 000	Reserve on consolidation RM ' 000	Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Retained profits RM ' 000	Total RM ' 000
At 1 January, 2003 -							
As previously stated	75,000	1,706	18,460	11,468	-	86,669	193,303
Prior year adjustment	-	-	(61)	(1,806)	-	(153)	(2,020)
As restated	75,000	1,706	18,399	9,662		86,516	191,283
Revaluation surplus for the year	-	-	-	245	-	-	245
Foreign exchange differences representing net losses not recognised in the income statement	-	-	-	-	662	-	662
Deferred tax on revaluation surplus not recognised in the income statement	-	-	-	(713)	-	-	(713)
Net profit for the period	-	-	-	-	-	28,956	28,956
Dividend	-	-	-	-	-	(13,500)	(13,500)
At 31 December, 2003	75,000	1,706	18,399	9,194	662	101,972	206,933
At 1 January, 2004	75,000	1,706	18,399	9,194	662	101,972	206,933
Foreign exchange differences representing net losses not recognised in the income statement	-	-	-	-	(2,982)	-	(2,982)
Deferred tax on revaluation surplus not recognised in the income statement	-	-	-	(56)	-	-	(56)
Write back of share of losses in an associate	-	-	-	-	-	2,415	2,415
Additional cost of investment	-	-	(4,519)	-	-	-	(4,519)
Net profit for the period	-	-	-	-	-	59,782	59,782
Dividend	7	-	-	-	-	(15,660)	(15,660)
At 31 December, 2004	75,000	1,706	13,880	9,138	(2,320)	148,509	245,913

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 2003 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 2004

	2004	2003
	RM'000	RM'000
Cash generated from / (used in) operations	46,226	(8,285)
Interest paid	(3,901)	(2,716)
Income tax paid	(30,238)	(2,559)
Severance benefits paid	(875)	(1,702)
Net cash used in operating activities	<u>11,212</u>	<u>(15,262)</u>
Investing Activities		
Purchase of subsidiary	(15,326)	-
Purchase of property, plant and equipment	(12,865)	(11,018)
Proceeds from disposal of property, plant and equipment	210	3,118
Deferred exploration and evaluation expenditure	(6,194)	-
Purchase of shares in an associate	(5,407)	(16,031)
Interest received	2,675	1,400
Gross dividend received	179	93
Net cash used in investing activities	<u>(36,728)</u>	<u>(22,438)</u>
Financing Activities		
Borrowing from short term trade financing	101,740	77,159
Repayment of term loans	(12,069)	(9,501)
Drawdown of term loans	-	9,603
Dividend paid - shareholders of the company	(15,660)	(13,500)
- minority shareholders	(13,775)	(4,276)
Net cash from financing activities	<u>60,236</u>	<u>59,485</u>
Net Change in Cash & Cash Equivalents	34,720	21,785
Cash & Cash Equivalents at 1 January 2004	78,260	56,475
Cash & Cash Equivalents at 31 December 2004	<u>112,980</u>	<u>78,260</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 2003 and the accompanying explanatory notes attached to the interim financial statements.