

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

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**

at 31 March 2005

	As at end of current quarter 31.03.2005 RM'000	As at preceding financial year end 31.12.2004 RM'000
<b>Note</b>		
<b>NON-CURRENT ASSETS</b>		
Property , Plant and equipment	124,082	119,725
Base Inventory	3,000	3,000
Investment in associates	14,851	14,669
Other Investment	1,108	1,108
Other assets	6,545	5,633
Goodwill on consolidation	9,922	9,922
<b>CURRENT ASSETS</b>		
Inventories	268,474	267,429
Trade receivables	73,083	112,432
Other receivables	23,986	22,745
Tax recoverable	161	119
Amount due from an associate	178	678
Cash, bank balances and deposits	115,823	112,981
	<u>481,705</u>	<u>516,384</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	7,262	16,339
Other payables	43,702	39,355
Provisions for liabilities	4,338	4,562
Amount due to an associate	1,000	1,000
Taxation	6,718	32,390
Borrowings (unsecured) <b>19</b>	231,597	241,327
	<u>294,617</u>	<u>334,973</u>
<b>NET CURRENT ASSETS</b>	<u>187,088</u>	<u>181,411</u>
	<u>346,596</u>	<u>335,468</u>
<b>Financed by -</b>		
Share capital	75,000	75,000
Reserves	178,748	173,435
Shareholders' equity	253,748	248,435
Minority interests	42,944	38,454
	<u>296,692</u>	<u>286,889</u>
<b>NON-CURRENT LIABILITIES</b>		
Provisions for liabilities	28,909	27,080
Deferred tax liabilities	5,273	5,646
Borrowings (unsecured) <b>19</b>	15,722	15,853
	<u>346,596</u>	<u>335,468</u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

for the period ended 31 March 2005

	Note	← 1 st Quarter →		← Year to Date →	
		3 months ended		3 months ended	
		31.03.2005	31.03.2004	31.03.2005	31.03.2004
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>		451,203	296,784	451,203	296,784
<b>Profit from operations</b>		32,702	19,050	32,702	19,050
<b>Gross interest income</b>		1,874	394	1,874	394
<b>Finance cost</b>		(1,721)	(969)	(1,721)	(969)
<b>Share of profit / ( loss ) of associates</b>		254	236	254	236
<b>Profit before taxation</b>		33,109	18,711	33,109	18,711
<b>Taxation</b>	15	(9,929)	(5,495)	(9,929)	(5,495)
<b>Profit after taxation</b>		23,180	13,216	23,180	13,216
<b>Minority interest</b>		(4,490)	(2,359)	(4,490)	(2,359)
<b>Net profit for the period</b>		18,690	10,857	18,690	10,857
<b>Basic earnings per share ( sen )</b>	26	24.9	14.5	24.9	14.5
<b>Net dividend per share ( sen )</b>	7			18.0	10.1
<b>Net tangible assets per share ( RM )</b>				As at end of current quarter	As at preceding financial year end
				3.21	3.14

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2004 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 period ended 31 March 2005

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, 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	-	-	-	-	308	-	308
Deferred tax on revaluation surplus not recognised in the income statement	-	-	-	(233)	-	-	(233)
Net profit for the period	-	-	-	-	-	10,857	10,857
Dividend	-	-	-	-	-	(7,560)	(7,560)
At 31 March, 2004	<u>75,000</u>	<u>1,706</u>	<u>18,399</u>	<u>8,961</u>	<u>970</u>	<u>105,269</u>	<u>210,305</u>
At 1 January, 2005	<b>75,000</b>	<b>1,706</b>	<b>13,880</b>	<b>9,194</b>	<b>1,298</b>	<b>147,357</b>	<b>248,435</b>
Foreign exchange differences representing net losses not recognised in the income statement	-	-	-	-	162	-	162
Additional cost of investment	-	-	(39)	-	-	-	(39)
Net profit for the period	-	-	-	-	-	18,690	18,690
Dividend	7	-	-	-	-	(13,500)	(13,500)
At 31 March, 2005	<u>75,000</u>	<u>1,706</u>	<u>13,841</u>	<u>9,194</u>	<u>1,460</u>	<u>152,547</u>	<u>253,748</u>

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 2004 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

for the three months period ended 31 March 2005

	<b>2005</b>	<b>2004</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash generated from / ( used in ) operations</b>	73,102	(45,474)
Interest paid	(1,628)	(852)
Income tax paid	(35,728)	(15,353)
Severance benefits paid	(905)	(205)
<b>Net cash from / ( used in ) operating activities</b>	<u>34,841</u>	<u>(61,884)</u>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(9,007)	(5,992)
Proceeds from disposal of property, plant and equipment	15	25
Payment of deferred exploration expenditure	(912)	-
Interest received	1,070	409
<b>Net cash used in investing activities</b>	<u>(8,834)</u>	<u>(5,558)</u>
<b>Financing Activities</b>		
( Payment of ) / borrowing from short term trade financing	(9,665)	30,335
Dividend paid - shareholders of the company - minority shareholders	(13,500)	-
	-	-
<b>Net cash ( used in ) / from financing activities</b>	<u>(23,165)</u>	<u>30,335</u>
<b>Net Change in Cash &amp; Cash Equivalents</b>	2,842	(37,107)
<b>Cash &amp; Cash Equivalents at 1 January 2005</b>	112,981	78,260
<b>Cash &amp; Cash Equivalents at 31 March 2005</b>	<u>115,823</u>	<u>41,153</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 2004 and the accompanying explanatory notes attached to the interim financial statements.