

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

at 31 December 2005

	As at end of current quarter 31.12.2005 RM'000	As at preceding financial year end 31.12.2004 RM'000
Note		
NON-CURRENT ASSETS		
Property , Plant and equipment	139,851	119,725
Base Inventory	3,000	3,000
Investment in associates	19,566	14,669
Other Investment	520	1,108
Other assets	22,657	5,633
Goodwill on Consolidation	8,518	9,922
CURRENT ASSETS		
Inventories	380,543	267,429
Trade receivables	42,970	112,432
Other receivables	51,938	22,745
Tax recoverable	10,928	119
Amount due from an associate	1,794	678
Cash, bank balances and deposits	64,433	112,981
	552,606	516,384
CURRENT LIABILITIES		
Trade payables	15,522	16,339
Other payables	34,684	39,355
Provisions for liabilities	2,768	4,562
Amount due to an associate	1,000	1,000
Taxation	5,239	32,390
Borrowings (unsecured) 19	340,530	241,327
	399,743	334,973
NET CURRENT ASSETS	152,863	181,411
	346,975	335,468
Financed by -		
Share capital	75,000	75,000
Reserves	207,647	173,435
	282,647	248,435
Shareholders' equity	282,647	248,435
Minority interests	35,429	38,454
	318,076	286,889
NON-CURRENT LIABILITIES		
Provisions for liabilities	30,519	27,080
Deferred tax liabilities	(3,948)	5,646
Borrowings (unsecured) 19	2,328	15,853
	346,975	335,468

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 year ended 31 December 2005

	Note	← 4 th Quarter →		← Year to Date →	
		3 months ended		12 months ended	
		31.12.2005	31.12.2004	31.12.2005	31.12.2004
		RM'000	RM'000	RM'000	RM'000
Revenue		359,209	579,591	1,700,384	1,862,530
Profit from operations		16,673	52,947	91,965	148,002
Gross interest income		1,265	1,152	6,944	2,934
Finance cost		(3,094)	(1,704)	(10,176)	(4,869)
Share of profit / (loss) of associates		(1,459)	(18,856)	(1,185)	(18,695)
Profit before taxation		13,385	33,539	87,548	127,372
Taxation	15	(5,575)	(10,182)	(26,251)	(45,912)
Profit after taxation		7,810	23,357	61,297	81,460
Minority interest		2,282	(3,953)	(6,717)	(20,415)
Net profit for the period		10,092	19,404	54,580	61,045
Basic earnings per share (sen)	26	13.5	25.9	72.8	81.4
Net dividend per share (sen)	7			28.8	20.9
Net asset per share (RM)				As at end of current quarter	As at preceding financial year end
				4.24	3.83

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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2005

Note	Share capital RM ' 000	Capital reserve RM ' 000	← Non - Distributable →			Distributable		Total RM ' 000
			Reserve on consolidation RM ' 000	Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Retained profits RM ' 000		
At 1 January, 2004	75,000	1,706	18,399	9,194	662	101,972	206,933	
Foreign exchange differences representing net gains not recognised in the income statement	-	-	-	-	636	-	636	
Additional cost of investment	-	-	(4,519)	-	-	-	(4,519)	
Net profit for the year	-	-	-	-	-	61,045	61,045	
Dividend	-	-	-	-	-	(15,660)	(15,660)	
At 31 December, 2004	75,000	1,706	13,880	9,194	1,298	147,357	248,435	
At 1 January, 2005	75,000	1,706	13,880	9,194	1,298	147,357	248,435	
Foreign exchange differences representing net losses not recognised in the income statement	-	-	-	-	(2,842)	-	(2,842)	
Revaluation surplus for the year	-	-	-	4,113	-	-	4,113	
Realisation of revaluation surplus on amortisation during the year	-	-	-	(836)	-	836	-	
Additional cost of investment	-	-	(39)	-	-	-	(39)	
Net profit for the year	-	-	-	-	-	54,580	54,580	
Dividend	-	-	-	-	-	(21,600)	(21,600)	
At 31 December, 2005	75,000	1,706	13,841	12,471	(1,544)	181,173	282,647	

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2005

	2005	2004
	RM'000	RM'000
Cash generated from operations	28,326	44,788
Interest paid	(9,496)	(4,228)
Income tax paid	(73,671)	(31,195)
Severance benefits paid	(169)	(660)
Net cash (used in) / from operating activities	<u>(55,010)</u>	<u>8,705</u>
Investing Activities		
Acquisition of subsidiaries	-	(13,515)
Purchase of shares in an associate	(5,843)	(4,299)
Purchase of other investment	-	(1,108)
Purchase of property, plant and equipment	(30,327)	(12,200)
Deferred exploration and evaluation expenditure	(17,024)	(6,990)
Proceeds from disposal of property, plant and equipment	1,567	210
Interest received	5,507	2,919
Gross dividend received	140	140
Net cash used in investing activities	<u>(45,980)</u>	<u>(34,843)</u>
Financing Activities		
Borrowing from short term trade financing	98,896	101,740
Repayment of term loans	(11,901)	(12,069)
Drawdown of term loans	-	-
Effect of change in exchange rate	(3,211)	171
Dividend paid	(31,342)	(28,983)
	-	-
Net cash from financing activities	<u>52,442</u>	<u>60,859</u>
Net Change in Cash & Cash Equivalents	(48,548)	34,721
Cash & Cash Equivalents at 1 January 2005	112,981	78,260
Cash & Cash Equivalents at 31 December 2005	<u>64,433</u>	<u>112,981</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.