

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

at 31 March 2007

	As at end of current quarter 31.03.2007 RM'000	As at preceding financial year end 31.12.2006 RM'000
Note		
NON-CURRENT ASSETS		
Property, Plant and equipment	92,166	95,568
Base Inventory	3,000	3,000
Investment in associates	19,130	18,419
Other investments	197	249
Prepaid land lease payments	1,470	1,472
Other assets	18,161	16,509
Deferred tax asset	15,115	14,955
Mining rights	6,611	6,944
CURRENT ASSETS		
Inventories	295,375	300,977
Trade receivables	35,910	70,327
Other receivables	79,696	80,964
Tax recoverable	13,563	14,852
Amount due from a related company	756	517
Amount due from associates	556	671
Cash, bank balances and deposits	32,696	99,953
	458,552	568,261
Non-current asset classified as held for sale	4,660	4,660
	463,212	572,921
CURRENT LIABILITIES		
Trade payables	27,106	30,363
Other payables	30,639	38,539
Provisions for liabilities	3,434	3,087
Amount due to an associate	500	500
Taxation	1,212	2,006
Borrowings (unsecured) 20	178,105	283,281
	240,996	357,776
NET CURRENT ASSETS	222,216	215,145
	378,066	372,261
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	75,000	75,000
Reserves	232,480	227,349
	307,480	302,349
Minority interests	35,953	36,900
Total Equity	343,433	339,249
NON-CURRENT LIABILITIES		
Provisions for liabilities	32,724	31,111
Deferred tax liabilities	1,909	1,901
	34,633	33,012
	378,066	372,261

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.

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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

for the period ended 31 March 2007

	Note	← 1 st Quarter →		← Year to Date →	
		3 months ended		3 months ended	
		31.03.2007	31.03.2006	31.03.2007	31.03.2006
		RM'000	RM'000	RM'000	RM'000
Revenue		357,871	306,632	357,871	306,632
Profit from operations		12,340	17,332	12,340	17,332
Gross interest income		521	555	521	555
Gross interest expense		(2,924)	(3,809)	(2,924)	(3,809)
Share of profit/ (loss) of associates		174	(297)	174	(297)
Profit before taxation		10,111	13,781	10,111	13,781
Taxation	16	(3,860)	(4,494)	(3,860)	(4,494)
Profit for the period		6,251	9,287	6,251	9,287
Attributable to:					
Equity holders of the parent		6,509	9,773	6,509	9,773
Minority interest		(258)	(486)	(258)	(486)
		6,251	9,287	6,251	9,287
Basic earnings per share (sen)	27	8.7	13.0	8.7	13.0
Net dividend per share (sen)	8			-	13.6
Net assets per share attributable to ordinary holders of the parent (RM)				As at end of current quarter 4.10	As at preceding financial year end 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.

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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	-	-	-	-	(2,941)	-	(2,941)	-	(2,941)
Net expense recognised directly in equity	-	-	-	-	(2,941)	-	(2,941)	-	(2,941)
Profit/ (loss) for the period	-	-	-	-	-	9,773	9,773	(486)	9,287
Total recognised income and expense for the period	-	-	-	-	(2,941)	9,773	6,832	(486)	6,346
Dividend	-	-	-	-	-	(10,200)	(10,200)	-	(10,200)
At 31 March, 2006	75,000	1,706	-	11,415	(1,026)	193,631	280,726	36,198	316,924

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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	
Foreign exchange differences representing net loss not recognised in the income statement	-	-	-	(1,378)	-	(1,378)	(689)	(2,067)	
Net expense recognised directly in equity	-	-	-	(1,378)	-	(1,378)	(689)	(2,067)	
Profit for the period	-	-	-	-	6,509	6,509	(258)	6,251	
Total recognised income and expense for the period	-	-	-	(1,378)	6,509	5,131	(947)	4,184	
Dividend	8	-	-	-	-	-	-	-	
At 31 March, 2007	75,000	1,706	11,415	(6,518)	225,877	307,480	35,953	343,433	

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.

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the period ended 31 March 2007

	2007	2006
	RM'000	RM'000
Cash generated from operations	48,638	48,454
Interest paid	(4,165)	(4,068)
Income tax paid	(3,991)	(2,938)
Severance benefits paid	(618)	(505)
Net cash used in operating activities	<u>39,864</u>	<u>40,943</u>
Investing Activities		
Purchase of property, plant and equipment	(980)	(119)
Payment of deferred mine development and exploration expenditure	(4,975)	(115)
Proceeds from disposal of property, plant and equipment	3	-
Interest received	1,794	664
Net cash from/ (used in) investing activities	<u>(4,158)</u>	<u>430</u>
Financing Activities		
Payment of short term trade financing	(102,963)	(74,871)
Dividend paid	-	(10,200)
Net cash used in financing activities	<u>(102,963)</u>	<u>(85,071)</u>
Net Change in Cash & Cash Equivalents	(67,257)	(43,698)
Cash & Cash Equivalents at 1 January	99,953	64,582
Cash & Cash Equivalents at 31 March	<u>32,696</u>	<u>20,884</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.