

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

at 31 March 2006

	Note	As at end of current quarter 31.03.2006 RM'000	As at preceding financial year end 31.12.2005 RM'000 Restated (Note 3)
NON-CURRENT ASSETS			
Property, Plant and equipment		107,168	133,219
Base Inventory		3,000	3,000
Investment in associates		18,479	19,566
Other investments		520	520
Prepaid lease payments	2	6,651	6,632
Other assets		21,953	22,466
Deferred tax asset		9,887	9,887
Mining rights		8,131	8,518
CURRENT ASSETS			
Properties held for sale	2	20,891	-
Inventories		318,512	380,543
Trade receivables		58,671	42,970
Other receivables		58,297	51,774
Tax recoverable		11,389	11,660
Amount due from associates		-	1,794
Cash, bank balances and deposits		20,884	64,582
		488,644	553,323
CURRENT LIABILITIES			
Trade payables		8,586	15,522
Other payables		27,002	35,065
Provisions for liabilities		2,934	2,714
Amount due to an associate		1,000	1,000
Taxation		6,993	6,081
Borrowings (unsecured)	21	265,251	340,530
		311,766	400,912
NET CURRENT ASSETS		176,878	152,411
		352,667	356,219
EQUITY			
Equity attributable to equity holders of the parent			
Share capital		75,000	75,000
Reserves		205,726	209,094
		280,726	284,094
Minority interests		36,198	36,684
Total Equity		316,924	320,778
NON-CURRENT LIABILITIES			
Provisions for liabilities		30,633	30,572
Deferred tax liabilities		2,958	2,541
Borrowings (unsecured)	21	2,152	2,328
		35,743	35,441
		352,667	356,219

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2005 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 31 March 2006

	Note	← 1 st Quarter → 3 months ended		← Year to Date → 3 months ended	
		31.03.2006 RM'000	31.03.2005 RM'000	31.03.2006 RM'000	31.03.2005 RM'000
Revenue		306,632	451,203	306,632	451,203
Profit from operations		17,332	32,702	17,332	32,702
Gross interest income		555	1,874	555	1,874
Gross interest expense		(3,809)	(1,721)	(3,809)	(1,721)
Share of profit / (loss) of associates		(297)	254	(297)	254
Profit before taxation		13,781	33,109	13,781	33,109
Taxation	17	(4,494)	(9,929)	(4,494)	(9,929)
Profit for the period		9,287	23,180	9,287	23,180
Attributable to:					
Equity holders of the parent		9,773	18,690	9,773	18,690
Minority interest		(486)	4,490	(486)	4,490
		9,287	23,180	9,287	23,180
Basic earnings per share (sen)	28	13.0	24.9	13.0	24.9
Net dividend per share (sen)	9			13.6	18.0
				As at end of current quarter	As at preceding financial year end
Net assets per share attributable to ordinary holders of the parent (RM)				4.23	4.28

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

MALAYSIA SMELTING CORPORATION BERHAD

(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 profits RM ' 000	Sub-total RM ' 000		
At 1 January, 2005	75,000	1,706	13,880	9,194	1,298	147,357	248,435	38,454	286,889
Foreign exchange differences representing net gain not recognised in the income statement	-	-	-	-	162	-	162	-	162
Net income recognised directly in equity	-	-	-	-	162	-	162	-	162
Profit for the period	-	-	-	-	-	18,690	18,690	4,490	23,180
Total recognised income and expense for the period	-	-	-	-	162	18,690	18,852	4,490	23,342
Dividend	-	-	-	-	-	(13,500)	(13,500)	-	(13,500)
At 31 March, 2005	75,000	1,706	13,880	9,194	1,460	152,547	253,787	42,944	296,731

MALAYSIA SMELTING CORPORATION BERHAD

(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	
	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 profits 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	
Effect of adopting:										
<u>FRS 3</u> Transfer reserve on consolidation to opening retained profits	3	-	-	(13,880)	-	-	13,880	-	-	
At 1 January 2006 (restated)	75,000	1,706	-	11,415	420	195,553	284,094	36,684	320,778	
Foreign exchange differences representing net loss 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	9	-	-	-	-	(10,200)	(10,200)	-	(10,200)	
At 31 March, 2006		75,000	1,706	-	11,415	(2,521)	195,126	280,726	36,198	316,924

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 2005 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 31 March 2006

	2006	2005
	RM'000	RM'000
Cash generated from operations	48,454	73,102
Interest paid	(4,068)	(1,628)
Income tax paid	(2,938)	(35,728)
Severance benefits paid	(505)	(905)
Net cash from operating activities	<u>40,943</u>	<u>34,841</u>
Investing Activities		
Purchase of property, plant and equipment	(119)	(9,007)
Payment of deferred mine development and exploration expenditure	(115)	(912)
Proceeds from disposal of property, plant and equipment	-	15
Interest received	664	1,070
Net cash from/ (used in) investing activities	<u>430</u>	<u>(8,834)</u>
Financing Activities		
Payment of short term trade financing	(74,871)	(9,665)
Dividend paid	(10,200)	(13,500)
Net cash used in financing activities	<u>(85,071)</u>	<u>(23,165)</u>
Net Change in Cash & Cash Equivalents	(43,698)	2,842
Cash & Cash Equivalents at 1 January	64,582	112,981
Cash & Cash Equivalents at 31 March	<u>20,884</u>	<u>115,823</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 2005 and the accompanying explanatory notes attached to the interim financial statements.