

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

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**

at 31 December 2007

	As at end of current quarter 31.12.2007 RM'000	As at preceding financial year end 31.12.2006 RM'000
<b>Note</b>		
<b>NON-CURRENT ASSETS</b>		
Property, Plant and equipment	94,497	95,568
Base Inventory	3,000	3,000
Investment in associates	28,464	18,419
Other investments	67,300	249
Prepaid land lease payments	1,354	1,472
Other assets	30,062	16,509
Deferred tax asset	24,383	14,955
Mining rights	7,127	6,944
	<b>256,187</b>	<b>157,116</b>
<b>CURRENT ASSETS</b>		
Inventories	308,473	300,977
Trade receivables	160,075	70,327
Other receivables	60,465	80,964
Tax recoverable	1,544	14,852
Amount due from a related company	126	517
Amount due from associates	2,608	671
Cash, bank balances and deposits	51,930	99,953
	<b>585,221</b>	<b>568,261</b>
Non-current asset classified as held for sale	-	4,660
	<b>585,221</b>	<b>572,921</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	10,976	30,363
Other payables	44,222	38,539
Provisions for liabilities	2,906	3,087
Amount due to a related company	96	-
Amount due to an associate	500	500
Taxation	15,037	2,006
Borrowings (unsecured)	333,934	283,281
	<b>407,671</b>	<b>357,776</b>
	<b>177,550</b>	<b>215,145</b>
	<b>433,737</b>	<b>372,261</b>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	75,000	75,000
Reserves	275,127	227,349
	<b>350,127</b>	<b>302,349</b>
<b>Minority interests</b>	<b>45,416</b>	<b>36,900</b>
<b>Total Equity</b>	<b>395,543</b>	<b>339,249</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions for liabilities	27,179	31,111
Deferred tax liabilities	2,015	1,901
Borrowing (unsecured)	9,000	-
	<b>38,194</b>	<b>33,012</b>
	<b>433,737</b>	<b>372,261</b>

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.

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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

for the year ended 31 December 2007

	Note	← 4 th Quarter →		← Year to Date →	
		3 months ended		12 months ended	
		31.12.2007	31.12.2006	31.12.2007	31.12.2006
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>		735,033	557,513	1,913,143	1,637,704
Profit from operations		80,692	38,613	131,506	82,511
Gross interest income		1,439	1,867	3,390	4,259
Gross interest expense		(4,372)	(9,816)	(14,620)	(21,163)
Share of profit of associates		68	(912)	719	(927)
<b>Profit before taxation</b>		77,827	29,752	120,995	64,680
Taxation	<b>16</b>	(25,093)	(10,683)	(42,779)	(20,212)
<b>Profit for the period</b>		52,734	19,069	78,216	44,468
Attributable to:					
Equity holders of the parent		45,334	14,446	67,441	41,510
Minority interest		7,400	4,623	10,775	2,958
		52,734	19,069	78,216	44,468
Basic earnings per share ( sen )	<b>27</b>	60.4	19.3	89.9	55.3
Net dividend per share ( sen )	<b>8</b>			14.6	21.6
				As at end of current quarter	As at preceding financial year end
Net assets per share attributable to ordinary holders of the parent ( RM )				4.67	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.

(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 earnings RM ' 000	Sub-total RM ' 000		
<b>At 1 January, 2006 As previously stated</b>	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)	-	-	-
<b>At 1 January 2006 (restated)</b>	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	-	-	-	-	(7,055)	-	(7,055)	(2,742)	(9,797)
Net expense recognised directly in equity	-	-	-	-	(7,055)	-	(7,055)	(2,742)	(9,797)
Profit for the year	-	-	-	-	-	41,510	41,510	2,958	44,468
Total recognised income and expense for the year	-	-	-	-	(7,055)	41,510	34,455	216	34,671
Dividend	-	-	-	-	-	(16,200)	(16,200)	-	(16,200)
<b>At 31 December, 2006</b>	75,000	1,706	-	11,415	(5,140)	219,368	302,349	36,900	339,249

(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	
	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						
<b>At 1 January, 2007</b>	<b>75,000</b>	<b>1,706</b>	<b>11,415</b>	<b>(5,140)</b>	<b>219,368</b>	<b>302,349</b>	<b>36,900</b>	<b>339,249</b>	
Acquisition of a subsidiary							274	274	
Foreign exchange differences representing net loss not recognised in the income statement	-	-	-	(8,713)	-	(8,713)	(2,533)	(11,246)	
Net expense recognised directly in equity	-	-	-	(8,713)	-	(8,713)	(2,259)	(10,972)	
Profit for the year	-	-	-	-	67,441	67,441	10,775	78,216	
Total recognised income and expense for the year	-	-	-	(8,713)	67,441	58,728	8,516	67,244	
Dividend	8	-	-	-	(10,950)	(10,950)	-	(10,950)	
<b>At 31 December, 2007</b>	<b>75,000</b>	<b>1,706</b>	<b>11,415</b>	<b>(13,853)</b>	<b>275,859</b>	<b>350,127</b>	<b>45,416</b>	<b>395,543</b>	

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.

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

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

for the year ended 31 December 2007

	<b>2007</b>	<b>2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash generated from operations</b>	32,969	140,331
Interest paid	(15,716)	(19,675)
Income tax paid	(27,025)	(34,266)
Severance benefits paid	(5,575)	(5,583)
<b>Net cash (used in)/ from operating activities</b>	<u>(15,347)</u>	<u>80,807</u>
<b>Investing Activities</b>		
Acquisition of a subsidiary	(411)	-
Purchase of property, plant and equipment	(11,067)	(2,467)
Purchase of shares in an associate	(5,523)	-
Purchase of shares in other investments	(66,679)	-
Payment for mining rights	(2,000)	-
Payment of deferred mine development and exploration expenditure	(11,465)	(3,095)
Proceeds from disposal of property, plant and equipment	6,508	23,903
Net dividend received from an associate	34	34
Interest received	4,600	3,113
<b>Net cash (used in)/ from investing activities</b>	<u>(86,003)</u>	<u>21,488</u>
<b>Financing Activities</b>		
Borrowing/ (Repayment) of short term trade financing	55,210	(37,751)
Borrowing of term loan	12,000	-
Repayment of term loans	(2,932)	(12,973)
Dividend paid	(10,951)	(16,200)
<b>Net cash from/ (used in) financing activities</b>	<u>53,327</u>	<u>(66,924)</u>
<b>Net Change in Cash &amp; Cash Equivalents</b>	(48,023)	35,371
<b>Cash &amp; Cash Equivalents at 1 January</b>	99,953	64,582
<b>Cash &amp; Cash Equivalents at 31 December</b>	<u>51,930</u>	<u>99,953</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.