

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

at 31 March 2008

	As at end of current quarter 31.03.2008 RM'000	As at preceding financial year end 31.12.2007 RM'000
Note		
NON-CURRENT ASSETS		
Property, Plant and equipment	91,183	94,497
Base Inventory	3,000	3,000
Investment in associates	84,331	28,464
Other investments	67,159	67,300
Prepaid land lease payments	1,291	1,354
Other assets	30,838	30,062
Deferred tax asset	22,914	24,383
Mining rights	15,590	7,127
	316,306	256,187
CURRENT ASSETS		
Inventories	364,113	308,473
Trade receivables	134,843	160,075
Other receivables	82,391	60,465
Tax recoverable	2,920	1,544
Amount due from a related company	363	126
Amount due from associates	159	2,608
Cash, bank balances and deposits	51,180	51,930
	635,969	585,221
CURRENT LIABILITIES		
Trade payables	16,390	10,976
Other payables	40,224	44,222
Provisions for liabilities	2,733	2,906
Amount due to a related company	212	96
Amount due to an associate	500	500
Taxation	12,150	15,037
Borrowings (unsecured) 20	433,555	333,934
	505,764	407,671
NET CURRENT ASSETS	130,205	177,550
	446,511	433,737
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	75,000	75,000
Reserves	286,645	275,127
	361,645	350,127
Minority interests	46,095	45,416
Total Equity	407,740	395,543
NON-CURRENT LIABILITIES		
Provisions for liabilities	27,750	27,179
Deferred tax liabilities	2,021	2,015
Borrowing (unsecured) 20	9,000	9,000
	38,771	38,194
	446,511	433,737

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

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MALAYSIA SMELTING CORPORATION BERHAD
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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

for the period ended 31 March 2008

	Note	← 1 st Quarter →		← Year to Date →	
		3 months ended 31.03.2008 RM'000	3 months ended 31.03.2007 RM'000	3 months ended 31.03.2008 RM'000	3 months ended 31.03.2007 RM'000
Revenue		572,598	357,871	572,598	357,871
Profit from operations		28,988	12,340	28,988	12,340
Gross interest income		1,353	521	1,353	521
Gross interest expense		(3,941)	(2,924)	(3,941)	(2,924)
Share of (loss)/ profit of associates		(932)	174	(932)	174
Profit before taxation		25,468	10,111	25,468	10,111
Taxation	16	(7,959)	(3,860)	(7,959)	(3,860)
Profit for the period		17,509	6,251	17,509	6,251
Attributable to:					
Equity holders of the parent		15,308	6,509	15,308	6,509
Minority interest		2,201	(258)	2,201	(258)
		17,509	6,251	17,509	6,251
Basic earnings per share (sen)	27	20.4	8.7	20.4	8.7
Net dividend per share (sen)	8			-	-
Net assets per share attributable to ordinary holders of the parent (RM)				As at end of current quarter 4.82	As at preceding financial year end 4.67

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Note	Attributable to equity holders of the parent							Minority Interest	Total Equity
	Share capital RM ' 000	Share premium RM ' 000	Non - Distributable		Distributable		Sub-total RM ' 000		
			Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Retained earnings 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	-	-	-	-	-	-	-	-	
At 31 March, 2007	75,000	1,706	11,415	(6,518)	225,877	307,480	35,953	343,433	

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)

Note	Attributable to equity holders of the parent						Minority Interests RM ' 000	Total Equity RM ' 000
	Share capital RM ' 000	Share premium RM ' 000	Non - Distributable		Distributable			
			Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Retained earnings RM ' 000	Sub-total RM ' 000		
At 1 January, 2008	75,000	1,706	11,415	(13,853)	275,859	350,127	395,543	
Foreign exchange differences representing net loss not recognised in the income statement	-	-	-	(3,790)	-	(3,790)	(5,312)	
Net expense recognised directly in equity	-	-	-	(3,790)	-	(3,790)	(5,312)	
Profit for the period	-	-	-	-	15,308	15,308	17,509	
Total recognised income and expense for the period	-	-	-	(3,790)	15,308	11,518	12,197	
Dividend	-	-	-	-	-	-	-	
At 31 March, 2008	75,000	1,706	11,415	(17,643)	291,167	361,645	407,740	

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 2007 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 2008

	2008	2007
	RM'000	RM'000
Cash generated from operations	(16,897)	48,638
Interest paid	(3,805)	(4,165)
Income tax paid	(10,885)	(3,991)
Severance benefits paid	(35)	(618)
Net cash (used in)/ from operating activities	<u>(31,622)</u>	<u>39,864</u>
Investing Activities		
Purchase of property, plant and equipment	(1,431)	(980)
Purchase of shares in an associate	(58,477)	-
Payment for other investments	(209)	-
Payment for an insurance scheme	(1,019)	-
Payment for mining rights	(9,098)	-
Payment of deferred mine development and exploration expenditure	(2,968)	(4,975)
Proceeds from disposal of property, plant and equipment	-	3
Interest received	1,369	1,794
Net cash used in investing activities	<u>(71,833)</u>	<u>(4,158)</u>
Financing Activities		
Borrowing/ (Repayment) of short term trade financing	102,705	(102,963)
Net cash from/ (used in) financing activities	<u>102,705</u>	<u>(102,963)</u>
Net Change in Cash & Cash Equivalents	(750)	(67,257)
Cash & Cash Equivalents at 1 January	51,930	99,953
Cash & Cash Equivalents at 31 March	<u>51,180</u>	<u>32,696</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 2007 and the accompanying explanatory notes attached to the interim financial statements.