

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

at 31 March 2009

	As at end of current quarter 31.03.2009 RM'000	As at preceding financial year end 31.12.2008 RM'000
Note		
NON-CURRENT ASSETS		
Property, Plant and equipment	122,355	106,921
Prepaid land lease payments	1,307	1,298
Base Inventory	3,000	3,000
Mining rights	3,950	4,621
Investment in associates	195,985	194,500
Other investments	47,279	47,261
Other assets	74,138	64,728
Deferred tax asset	22,236	18,073
	470,250	440,402
CURRENT ASSETS		
Inventories	258,106	260,823
Trade receivables	161,955	154,464
Other receivables	93,866	84,946
Tax recoverable	32,722	32,722
Amount due from related companies	2,555	2,916
Amount due from associates	15,405	13,699
Cash, bank balances and deposits	39,541	72,574
	604,150	622,144
CURRENT LIABILITIES		
Trade payables	19,061	17,905
Other payables	63,438	48,157
Provisions for liabilities	1,651	320
Amount due to an associate	550	550
Taxation	10,836	18,836
Borrowings (unsecured) 20	506,658	503,247
	602,194	589,015
NET CURRENT ASSETS		
	1,956	33,129
	472,206	473,531
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	75,000	75,000
Reserves	220,396	221,499
	295,396	296,499
Minority interests	43,021	44,033
Total Equity	338,417	340,532
NON-CURRENT LIABILITIES		
Provisions for liabilities	29,110	28,691
Deferred tax liabilities	2,089	2,033
Borrowings (unsecured) 20	102,590	102,275
	133,789	132,999
	472,206	473,531

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2008 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 2009

	Note	← 1 st Quarter →		← Year to Date →	
		3 months ended		3 months ended	
		31.03.2009	31.03.2008	31.03.2009	31.03.2008
		RM'000	RM'000	RM'000	RM'000
Revenue		351,649	572,598	351,649	572,598
Profit/ (Loss) from operations		(6,100)	28,988	(6,100)	28,988
Gross interest income		2,618	1,353	2,618	1,353
Gross interest expense		(6,875)	(3,941)	(6,875)	(3,941)
Share of profit/ (loss) of associates		1,201	(932)	1,201	(932)
Profit/ (Loss) before taxation		(9,156)	25,468	(9,156)	25,468
Taxation	16	564	(7,959)	564	(7,959)
Profit/ (Loss) for the period		(8,592)	17,509	(8,592)	17,509
Attributable to:					
Equity holders of the Company		(5,590)	15,308	(5,590)	15,308
Minority interest		(3,002)	2,201	(3,002)	2,201
		(8,592)	17,509	(8,592)	17,509
Basic (loss)/ earnings per share (sen)	27	(7.5)	20.4	(7.5)	20.4
Proposed/Declared dividend per share (sen)	28			-	-
Net assets per share attributable to ordinary holders of the Company (RM)				As at end of current quarter	As at preceding financial year end
				3.94	3.95

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company							Minority interest	Total Equity
	Non - Distributable			Distributable					
	Share capital RM ' 000	Share premium RM ' 000	Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Retained earnings RM ' 000	Sub-total RM ' 000	RM ' 000		
At 1 January 2008	75,000	1,706	11,415	(13,853)	275,859	350,127	45,416	395,543	
Foreign exchange differences representing net loss not recognised in the income statement	-	-	-	(3,790)	-	(3,790)	(1,522)	(5,312)	
Net expense recognised directly in equity	-	-	-	(3,790)	-	(3,790)	(1,522)	(5,312)	
Profit for the period	-	-	-	-	15,308	15,308	2,201	17,509	
Total recognised income and expense for the period	-	-	-	(3,790)	15,308	11,518	679	12,197	
Dividend	-	-	-	-	-	-	-	-	
At 31 March 2008	75,000	1,706	11,415	(17,643)	291,167	361,645	46,095	407,740	

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

	Attributable to equity holders of the Company							Minority Interest RM ' 000	Total Equity RM ' 000
	Share capital RM ' 000	Non - Distributable		Distributable		Sub-total RM ' 000			
		Share premium RM ' 000	Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Retained earnings RM ' 000				
At 1 January 2009	75,000	1,706	15,105	(7,344)	212,032	296,499	44,033	340,532	
Foreign exchange differences representing net gain not recognised in the income statement	-	-	-	4,487	-	4,487	1,990	6,477	
Net income recognised directly in equity	-	-	-	4,487	-	4,487	1,990	6,477	
Loss for the period	-	-	-	-	(5,590)	(5,590)	(3,002)	(8,592)	
Total recognised income and expense for the period	-	-	-	4,487	(5,590)	(1,103)	(1,012)	(2,115)	
Dividend	-	-	-	-	-	-	-	-	
At 31 March 2009	75,000	1,706	15,105	(2,857)	206,442	295,396	43,021	338,417	

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 2008 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 2009

	2009 RM'000	2008 RM'000
Cash generated from/ (used in) operations	788	(16,897)
Interest paid	(9,496)	(3,805)
Income tax paid	(9,773)	(10,885)
Severance benefits paid	(1,080)	(35)
Net cash from/ (used in) operating activities	<u>(19,561)</u>	<u>(31,622)</u>
Investing Activities		
Purchase of property, plant and equipment	(186)	(1,431)
Purchase of shares in an associate	-	(58,477)
Payment for other investments	-	(209)
Payment for an insurance scheme	-	(1,019)
Payment of deferred mine development and exploration expenditure	(9,055)	(12,066)
Interest received	3,141	1,369
Net cash used in investing activities	<u>(6,099)</u>	<u>(71,833)</u>
Financing Activities		
Borrowing/ (repayment) of short term trade financing	(4,648)	102,705
Repayment of term loans	(2,726)	-
Net cash from/ (used in) financing activities	<u>(7,374)</u>	<u>102,705</u>
Net Change in Cash & Cash Equivalents	(33,034)	(750)
Cash & Cash Equivalents at 1 January	72,575	51,930
Cash & Cash Equivalents at 31 March	<u>39,541</u>	<u>51,180</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 2008 and the accompanying explanatory notes attached to the interim financial statements.