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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

at 31 March 2010

	Note	As at end of current quarter 31.03.2010 RM'000	As at preceding financial year end 31.12.2009 RM'000
NON-CURRENT ASSETS			
Property, Plant and equipment		85,559	88,165
Prepaid land lease payments		1,274	1,312
Base Inventory		3,000	3,000
Mining rights		1,337	1,683
Mining asset		77,164	77,164
Investment in associates		150,608	213,918
Available for sale investment		123	165
Other assets		78,823	77,179
Goodwill on consolidation		6,166	6,166
Amount due from an associate		2,648	2,648
Deferred tax asset		18,762	12,572
		425,464	483,972
CURRENT ASSETS			
Inventories		313,224	380,550
Trade receivables		167,822	131,688
Other receivables		89,655	57,581
Tax recoverable		22,744	31,141
Amount due from related companies		1,588	1,102
Amount due from an associate		15,294	15,229
Derivative financial assets		4,314	-
Cash, bank balances and deposits		90,718	65,285
		705,359	682,576
Non-current asset classified as held for sale	5	23,050	-
		728,409	682,576
CURRENT LIABILITIES			
Trade payables		29,103	27,981
Other payables		44,792	49,290
Provisions for liabilities		5,944	7,308
Amount due to an associate		8	534
Taxation		22,019	19,955
Borrowings (unsecured)	20	532,299	509,520
Derivative financial liabilities		19,948	-
		654,113	614,588
NET CURRENT ASSETS		74,296	67,988
		499,760	551,960
EQUITY			
Equity attributable to equity holders of the parent			
Share capital		75,000	75,000
Reserves		184,840	227,843
		259,840	302,843
Minority interests		66,812	69,528
Total Equity		326,652	372,371
NON-CURRENT LIABILITIES			
Provisions for liabilities		20,011	21,000
Deferred tax liabilities		21,159	20,434
Borrowing (unsecured)	20	130,827	138,155
Derivative financial liabilities		1,111	-
		173,108	179,589
		499,760	551,960

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2009 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 2010

		1 st Quarter		Year Date	
		3 months ended		3 months ended	
	Note	31.03.2010 RM'000	31.03.2009 RM'000	31.03.2010 RM'000	31.03.2009 RM'000
Revenue		651,181	351,649	651,181	351,649
Profit/ (loss) from operations		(21,831)	(6,100)	(21,831)	(6,100)
Gross interest income		1,530	2,618	1,530	2,618
Gross interest expense		(4,158)	(6,875)	(4,158)	(6,875)
Share of profit/ (loss) of associates		4,211	1,201	4,211	1,201
Profit/ (loss) before taxation		(20,248)	(9,156)	(20,248)	(9,156)
Taxation	**16**	(8,210)	564	(8,210)	564
Profit/ (loss) for the period		(28,458)	(8,592)	(28,458)	(8,592)
Attributable to:					
Equity holders of the Company		(29,131)	(5,590)	(29,131)	(5,590)
Minority interests		673	(3,002)	673	(3,002)
		(28,458)	(8,592)	(28,458)	(8,592)
Basic earnings per share (sen)	**27**	(38.8)	(7.5)	(38.8)	(7.5)
Proposed/Declared dividend per share (sen)	**28**	-	-	-	-

	As at end of current quarter	As at preceding financial year end
Net assets per share attributable to ordinary holders of the Company (RM)	3.46	4.04

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

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MALAYSIA SMELTING CORPORATION BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to equity holders of the Company: Non - Distributable: Share capital RM ' 000	Share premium RM ' 000	Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Distributable: Retained earnings RM ' 000	Sub-total RM ' 000	Minority Interests RM ' 000	Total Equity RM ' 000
At 1 January 2009		75,000	1,706	15,105	(7,344)	212,032	296,499	44,033	340,532
Profit for the period		-	-	-	-	(5,590)	(5,590)	(3,002)	(8,592)
Other comprehensive incomes		-	-	-	4,487	-	4,487	1,990	6,477
Total comprehensive incomes 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

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

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

		Attributable to equity holders of the Company								Minority Interests	Total Equity
		Non - Distributable					Distributable				
	Note	Share capital RM ' 000	Share premium RM ' 000	Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Available for sale reserve RM ' 000	Hedging Reserve RM ' 000	Retained earnings RM ' 000	Sub-total RM ' 000	RM ' 000	RM ' 000
At 1 January 2010											
As previously stated		**75,000**	**1,706**	**15,105**	**(8,354)**	**-**	**-**	**219,386**	**302,843**	**69,528**	**372,371**
Effects of adopting FRS 139		**-**	**-**	**-**	**-**	**-**	**(6,738)**	**(2,868)**	**(9,606)**	**(1,209)**	**(10,815)**
At 1 January 2010 (restated)		**75,000**	**1,706**	**15,105**	**(8,354)**	**-**	**(6,738)**	**216,518**	**293,237**	**68,319**	**361,556**
Profit/(Loss) for the period		**-**	**-**	**-**	**-**	**-**	**-**	**(29,131)**	**(29,131)**	**673**	**(28,458)**
Other comprehensive incomes		**-**	**-**	**-**	**(2,634)**	**(42)**	**(1,590)**	**-**	**(4,266)**	**(2,180)**	**(6,446)**
Total comprehensive incomes for the period		**-**	**-**	**-**	**(2,634)**	**(42)**	**(1,590)**	**(29,131)**	**(33,397)**	**(1,507)**	**(34,904)**
Dividend		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 March 2010		**75,000**	**1,706**	**15,105**	**(10,988)**	**(42)**	**(8,328)**	**187,387**	**259,840**	**66,812**	**326,652**

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 2009 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 2010

	2010 RM'000	2009 RM'000
Cash from operations	17,855	788
Interest paid	(3,147)	(9,496)
Income tax refund/(paid)	1,602	(9,773)
Severance benefits paid	(4,345)	(1,080)
Net cash from/ (used in) operating activities	11,965	(19,561)
Investing Activities		
Purchase of property, plant and equipment	(1,168)	(186)
Payment for investment in an associate	(3,529)	-
Payment of deferred mine development and exploration and evaluation expenditure	(7,749)	(9,055)
Interest received	1,559	3,142
Net cash used in investing activities	(10,887)	(6,099)
Financing Activities		
Borrowing/ (repayment) of short term trade financing	29,813	(4,648)
Repayment of term loans	(5,458)	(2,726)
Net cash from/(used) in financing activities	24,355	(7,374)
Net Change in Cash & Cash Equivalents	25,433	(33,034)
Cash & Cash Equivalents at 1 January	65,285	72,575
Cash & Cash Equivalents at 31 March	90,718	39,541

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE 1st INTERIM FINANCIAL REPORT – 31 MARCH 2010

1. **Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (FRS) 134 'Interim Financial Reporting' issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2009. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2009.

2 **Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009 except for the adoption of the following new FRSs and Interpretations, and amendments to certain FRSs and Interpretations for financial period beginning 1 July 2009 and 1 January 2010:

Effective for financial periods beginning on or after 1 July 2009
FRS 8: Operating Segments

Effective for financial periods beginning on or after 1 January 2010
FRS 4: Insurance Contracts
FRS 7: Financial Instruments: Disclosures
FRS 101: Presentation of Financial Statements (revised)
FRS 123: Borrowing Costs
FRS 139: Financial Instruments: Recognition and Measurement
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidation and Separate Financial Statements: Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2: Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 132: Financial Instruments: Presentation
Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
Amendments to FRSs: 'Improvements to FRSs (2009)'
IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 10: Interim Financial Reporting and Impairment
IC Interpretation 11 FRS 2: Group and Treasury Share Transactions
IC Interpretation 13 : Customer Loyalty Programmes
IC Interpretation 14 FRS 119: The Limit on a Defined Benefit Asset, Minimum

Funding Requirements and their Interaction
TR I – 3: Presentation of Financial Statements of Islamic Financial Institutions

Unless otherwise described below, the adoption of the above pronouncements are expected to have no significant impact to the financial statements of the Group upon their initial application:

FRS 8: Operating Segment

FRS 8 replaces FRS 114_{2004}: Segment Reporting and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. . As this is a disclosure standard, there will be no impact on the financial position or results of the Group.

FRS 101: Presentation of Financial Statements (revised)
The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group.

FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures

FRS 7: Financial Instruments: Disclosures is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's exposure to risks, enhanced disclosure regarding components of the Group's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.
In accordance with the respective transitional provisions, the Group is exempted from disclosing the possible impact to the financial statements upon the initial application.

Amendments to FRSs 'Improvements to FRSs (2009)'

(i) FRS 117 Leases: Clarifies on the classification of leases of land and buildings. For those land element held under operating leases that are required to be reclassified as finance leases, the Group shall recognise a corresponding asset and liability in the financial statements which will be applied retrospectively upon initial application. However, in accordance with the transitional provision, the Group is permitted to reassess lease classification on the basis of the facts and circumstances existing on the date it adopts the amendments; and recognise the asset and liability related to a land lease newly classified as a finance lease at their fair values on that date; any difference between those fair values is recognised in retained earnings.

(ii) FRS 132 Financial Instruments: Disclosures and Presentation will be renamed as Financial Instruments: Presentation upon the adoption of FRS 7 Financial Instruments: Disclosures. The amendments provide a limited scope exception for puttable instruments and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation to be classified as equity. An instrument that meets the definition of a financial liability is classified as an equity instrument only if it fulfills a number of specific features and conditions as stipulated in the Standard.

Improving Disclosure about Financial Instruments (Amendments to FRS 7)

The Improving Disclosures about Financial Instruments reinforces existing principles for disclosures about liquidity risk. Also, the Amendments require enhanced disclosures about fair value measurements in which a three-level fair value hierarchy is introduced. An entity is required to classify fair value measurements using this hierarchy which aims to reflect the inputs used in making the measurement. These Amendments do not have any impact on the financial position and results of the group and of the Company.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2009 was not qualified.

4. Seasonal or Cyclical Factors

There were no significant seasonal or cyclical factors affecting the business operations of the Group.

5. **Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cashflow because of their nature, size or incidence at the end of current quarter except for the impairment provision of RM48.0 million on investments which has included RM41.0 million from BCD Resources NL and was shown as a non-current asset held for sale. The impairment was determined on a mark- to-market basis. The remaining impairment provision amounting to RM7.0 million relates to the fundings made by the Company towards the joint venture company, Guilin Hinwei Tin Co. Ltd, for smelting and refining of tin, and the production and sale of tin and tin-based products in the People's Republic of China.

6. **Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter.

7. **Issuance and Repayment of Debt and Equity Securities**

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter.

8. **Dividend Paid**

There was no dividend paid or declared for the current quarter.

9. **Segmental Reporting**

The Company and its principal subsidiaries operate principally within the tin industry. The Group operates mainly in three geographical areas namely, Malaysia, Indonesia and Australia. Geographical segment revenue and assets are based on geographical location of the Group's assets.

The segmental reporting by geographical locations for the current financial year-to-date was as follows:-

	Malaysia RM'000	Indonesia RM'000	Australia RM'000	Others RM'000	(Eliminations) / Adjustments RM'000	Total RM'000
Revenue						
Sales to external customers	641,092	10,089	-	-	-	651,181
Inter-segment sales	-	104,647	-	-	(104,647)	-
Total revenue	**641,092**	**114,736**	**-**	**-**	**(104,647)**	**651,181**
Results						
Segment results	19,878	6,523	(41,170)	(5,580)	48	(20,301)
Finance costs	(3,239)	(1,615)	-	-	696	(4,158)
Share of profit/(loss) of associates	8,685	-	(3,860)	(614)	-	4,211
Profit/(Loss) before tax	**25,324**	**4,908**	**(45,030)**	**(6,194)**	**744**	**(20,248)**
Income tax expense	(5,422)	(2,602)	-	-	(186)	(8,210)
Net profit/(loss) for the period	**19,902**	**2,306**	**(45,030)**	**(6,194)**	**558**	**(28,458)**

	Malaysia RM'000	Indonesia RM'000	Australia RM'000	Others RM'000	(Eliminations) / Adjustments RM'000	Total RM'000
Assets						
Segment assets	525,408	444,807	31,313	3,087	(1,350)	1,003,265
Investment in associates	70,592	-	-	80,016	-	150,608
Total assets	**596,000**	**444,807**	**31,313**	**83,103**	**(1,350)**	**1,153,873**
Liabilities						
Segment liabilities	**620,945**	**203,261**	**1,334**	**1,681**	**-**	**827,221**

10. **Property, Plant and Equipment**

The valuation of land and buildings has been brought forward without amendment from the previous audited annual financial statements for the year ended December 2009.

11. **Events Subsequent to Balance Sheet Date**

There were no material events subsequent to balance sheet date up to 5 May 2010, the latest practical date which is not earlier than 7 days from the date of issue of this quarterly report.

12. **Changes in the Composition of the Group**

There was no change in the composition of the Group for the 1st quarter 2010 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

13 Changes in Contingent Liabilities and Contingent Assets

Since the Company's last announcement of the 4th Quarter 2009 Interim Financial Report on 22nd February 2010, there was no new development on the outstanding contingent liabilities or contingent assets as at 5 May 2010, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

14. Capital Commitments

The amount of capital commitments at 31 March 2010 was as follows:

	31.03.2010 RM'000
Approved but not contracted	2,000
Contracted but not provided for	1,454
	3,454

15 Related Party Transactions

The following are significant related party transactions :

	3 months ended 31.03.2010 RM'000
Management fee paid/ payable to related companies	160
Sales of products to an associate	12,227

The above transactions have been entered in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

16. **Taxation**

Taxation comprises the following :

	3 months ended 31.03.2010 RM'000
Current taxation	
Malaysian income tax	5,546
Foreign tax	3,149
Deferred tax	(485)
Total	8,210

The overall effective tax rate for the current period was higher than the statutory tax rate in Malaysia mainly due to certain expenses not tax deductible as well as losses incurred by certain subsidiaries which cannot be set off against taxable profits made by other companies within the Group.

17. **Sale of Unquoted Investment and/or Property**

There was no sale of unquoted investment and/or property for the 1st quarter 2010.

18. **Purchase and Sale of Quoted Securities**

There was no purchase or sale of quoted securities in the 1st quarter 2010 except:

- In January 2010, the Company subscribed for an additional 10,750,000 new common shares amounting to approximately RM3.51 million in Asian Mineral Resources Limited (AMR) via a private placement to maintain its shareholding at 18.2% in AMR. Each common share entitles the holder to purchase one whole common share for 15 Canadian cents for 12 months after its issue date.

19. **Status of Corporate Proposal**

There was no corporate proposal announced but not completed as at 5 May 2010, the latest practical date which is not earlier than 7 days from the date of issue of this quarterly report, except for the following:-

a. On 29 October 2007, the Company announced that it had entered into a Joint Venture Contract with Guangxi Guilin Jinwei Realty Co Ltd (GGJR) and Vertex Metals Incorporation to establish a joint venture company named Guilin Hinwei Tin Co. Ltd, for smelting and refining of tin, and the production and sale of tin and tin-based products in the People's Republic of China. GGJR has difficulties in fulfilling certain obligations within the specific time frame and the Group has made an impairment provision of RM7.0 million.

b. On 23 September 2008, the Company announced that its public shareholding spread of 22.67% is not in compliance with the requirement as stipulated in paragraph 8.15(1) of Bursa Malaysia Listing Requirements, pursuant to a substantial shareholder notice received from Siong Lim Private Limited on 18 September 2008. Bursa Malaysia has further granted extension of time up to 22 September 2010 for the Company to comply with the public shareholding spread requirement pursuant to paragraph 8.15(1) of Bursa Malaysia Listing Requirements. As at 6 May 2010, a total of 23.13% shares of the Company are held by a total of 1,796 public shareholders.

c. On 23 July 2009, The Company entered into a Share Sale Agreement with Oberthur Investment Limited (Oberthur) and Robert Priantono Bonosusatya for the proposed disposal of up to 30% equity interest in Bemban Corporation Limited (BCL) for a cash consideration of USD9.0 million. BCL, a wholly-owned subsidiary of the Company, is principally an investment holding company and is the legal and beneficial owner of the entire issued and paid-up share capital of Kajuara Mining Corporation Pty Ltd which in turn has a sole investment, being 75% equity interest in PT Koba Tin in Indonesia. Oberthur is principally an investment holding company owned by an Indonesian based group which involved in tin, minerals and resource development. The transaction is expected to be completed by the first quarter of 2011

d. On 3 September 2009, the Company announced that it plans to divest its 22.12% shareholdings in BCD Resources NL (formerly known as Beaconsfield Gold NL), a company listed on Australia Securities Exchange and its 30% stake in the Rapu-Rapu Polymetallic Project in Philippines in line with its intention to focus its effort on cost rationalization and reduction as well as working on various alternatives to reduce its overall gearing including possible divestments of some of the Group's non-tin assets. The divestment process is still on-going.

20. Group Borrowings and Debts Securities

Group borrowings as at 31 March 2010 comprise the following :

		31.03.2010 RM'000
a)	**Short Term Borrowings (unsecured)**	
	Revolving credit	21,629
	Foreign currency trade finance	199,375
	Bankers' acceptances	278,001
		499,005

Current portion of long term borrowings	33,294
	532,299

	31.03.2010 RM'000
b) Long Term Borrowings (unsecured)	
Term loans	74,241
Revolving credit	56,586
	130,827

Amount denominated in foreign currency	**'000**
Foreign currency trade finance (US dollar)	59,917
Revolving credits (US dollar)	25,500
Term loans (US dollar)	28,500

Foreign currency trade finance is utilized for working capital requirements involving purchases and sales of tin concentrates and tin metal denominated in US dollar.

Short term borrowings bear interest at rates ranging from 1.06% to 3.46% (2009: 2.01% to 4.97%) per annum for the Company and 1.06% to 4.00% (2009: 2.01% to 14.35%) per annum for the Group.

The long term borrowings bear interest at rates of between 0.85% to 1.25% above banks' cost of funds and are repayable by quarterly and semi-annual installments.

21. **<u>Derivative Financial Instruments</u>**

As at 31 March 2010, the Group had the following outstanding derivative financial instruments:-

Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Fair Value Gain/(Loss) - Net of Tax RM'000
i) Interest Rate Swap on loan - More than 3 years	63,783	62,672	(833)
ii) Foreign Currency Forward Contracts - Less than 1 year	121,289	118,404	2,164
iii) Tin Forward Sale Contracts - Less than 1 year	144,960	164,884	(14,403)

iv) Free warrant on listed share of an associate - Less than 1 year	-	1,420	1,420
v) Available for sale investment	165	123	(42)

The Group adopted the accounting policy on derivative financial instruments in compliance with FRS 139 – Financial Instruments: Recognition and Measurement on 1 January 2010. With the adoption of FRS 139, financial derivatives are recognized accordingly in the financial statements and there is no off-balance sheet financial instruments.

The interest rate swap contract, foreign currency forward contracts and tin forward sale contracts are all entered for hedging purpose.

During the period, the Group has recognised a fair value gain net of tax of RM1.67 million in its income statement.

22. **Material Litigation**

Since 31 December 2009, there was no new development on the outstanding material litigations at 5 May 2010, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

23. **Material Change in the Quarterly Results as Compared with the Preceding Quarter**

The Group recorded a pre-tax loss of RM20.25 million in the 1st quarter of 2010 compared with a pre-tax profit of RM24.98 million recorded in the preceding quarter. The loss was due to an impairment provision of RM48.0 million explained under Note 5. Excluding the impairment provision, the Group recorded a slightly higher pre-tax profit of RM27.75 million in the first quarter 2010 compared with the preceding quarter.

24. **Review of Performance of the Company and its Principal Subsidiaries**

The Group incurred a pre-tax loss of RM20.25 million for the 1st quarter of 2010 compared with a pre-tax loss of RM9.16 million for the corresponding quarter of the previous year mainly due to an impairment provision of RM48.0 million. Excluding this impairment provision, the Group recorded a pre-tax profit of RM27.75 million in the 1st quarter of 2010. This was mainly due to a satisfactory performance by both the Malaysian and Indonesian operations and higher net contributions by the associated companies, particularly from the Rapu Rapu polymetallic project in the Philippines.

No item, transaction or event of a material and unusual nature has arisen which would affect substantially the results of the operations of the Group from the end of the 1st Quarter 2010 to the date of this announcement.

25. **Current Year Prospects**

In the light of the higher prevailing metal prices and stronger results from the Rapu Rapu project, barring any unforeseen circumstances, the Board expects the Group's performance for the current year to be better than that of last year.

26. **Variance of Actual Profit from Forecast Profit (Final Quarter Only)**

Not applicable.

27. **Basic Earnings/ (Loss) Per Share**

	3 months ended 31.03.2010
Net loss attributable to equity holders of the Company (RM)	29,131,000
Number of ordinary shares in issue	75,000,000
Net loss per share (sen)	38.8

28 **Dividend Payable**

A final dividend of 3 sen per ordinary share less 25% tax (2008: NIL) amounting to RM1.688 million for year ended 31 December 2009 has been approved by the members at the Annual General Meeting of the Company held on 11 May, 2010. It will be paid on 28 May, 2010 to members registered in the Record of Depositors at the close of business at 5.00 p.m. 12 May, 2010.

By Order of the Board
Sharifah Faridah Abd Rasheed
Secretary

Kuala Lumpur
11 May 2010