

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

at 30 September 2004

	As at end of current quarter 30.09.2004 RM'000	As at preceding financial year end 31.12.2003 RM'000
Note		
NON-CURRENT ASSETS		
Property , Plant and equipment	119,754	113,864
Base Inventory	3,000	3,000
Investment in associates	12,742	30,616
CURRENT ASSETS		
Inventories	260,099	211,038
Trade receivables	89,399	36,001
Other receivables	28,638	10,747
Tax recoverable	-	9
Amount due from an associate	833	2,536
Cash, bank balances and deposits	80,406	78,260
	459,375	338,591
CURRENT LIABILITIES		
Trade payables	21,447	17,828
Other payables	23,338	15,459
Provisions for liabilities	1,894	1,902
Amount due to an associate	759	1,000
Taxation	25,341	12,183
Borrowings (unsecured)	189,481	139,433
	262,260	187,805
NET CURRENT ASSETS	197,115	150,786
	332,611	298,266
Financed by -		
Share capital	75,000	75,000
Reserves	157,197	131,933
Shareholders' equity	232,197	206,933
Minority interests	41,641	31,362
	273,838	238,295
NON-CURRENT LIABILITIES		
Provisions for liabilities	28,865	22,629
Deferred tax liabilities	9,187	9,266
Borrowings (unsecured)	20,721	28,076
	332,611	298,266

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2003 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

for the nine months period ended 30 September 2004

	Note	← 3 rd Quarter →		← Year to Date →	
		3 months ended		9 months ended	
		30.09.2004	30.09.2003	30.09.2004	30.09.2003
		RM'000	RM'000	RM'000	RM'000
Revenue		485,993	197,427	1,282,939	506,677
Profit from operations		36,360	14,989	95,055	41,025
Gross interest income		948	415	1,782	1,388
Finance cost		(1,125)	(743)	(3,165)	(1,970)
Share of profit / (loss) of associates		565	(1,174)	161	(1,215)
Profit before taxation		36,748	13,487	93,833	39,228
Taxation	15	(15,858)	(4,697)	(35,730)	(13,216)
Profit after taxation		20,890	8,790	58,103	26,012
Minority interest		(6,902)	(2,217)	(16,462)	(6,202)
Net profit for the period		13,988	6,573	41,641	19,810
Basic earnings per share (sen)	26	18.7	8.8	55.5	26.4
Net dividend per share (sen)	7			20.9	10.0
Net tangible assets per share (RM)				3.06	2.72

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2003 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the nine months period ended 30 September 2004

Note	← Non - Distributable →					Distributable	
	Share capital RM ' 000	Capital reserve RM ' 000	Reserve on consolidation RM ' 000	Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Retained profits RM ' 000	Total RM ' 000
At 1 January, 2003 -							
As previously stated	75,000	1,706	18,460	11,468	-	86,669	193,303
Prior year adjustment	-	-	(61)	(1,806)	-	(153)	(2,020)
As restated	75,000	1,706	18,399	9,662	-	86,516	191,283
Foreign exchange differences representing net losses not recognised in the income statement	-	-	-	-	(516)	-	(516)
Deferred tax on revaluation surplus not recognised in the income statement	-	-	-	754	-	-	754
Net profit for the period	-	-	-	-	-	19,810	19,810
Dividend	-	-	-	-	-	(13,500)	(13,500)
At 30 September, 2003	75,000	1,706	18,399	10,416	(516)	92,826	197,831
At 1 January, 2004	75,000	1,706	18,399	9,194	662	101,972	206,933
Foreign exchange differences representing net losses not recognised in the income statement	-	-	-	-	(630)	-	(630)
Deferred tax on revaluation surplus not recognised in the income statement	-	-	-	(87)	-	-	(87)
Net profit for the period	-	-	-	-	-	41,641	41,641
Dividend	7	-	-	-	-	(15,660)	(15,660)
At 30 September, 2004	75,000	1,706	18,399	9,107	32	127,953	232,197

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 2003 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the nine months period ended 30 September 2004

	2004	2003
	RM'000	RM'000
Cash generated from operations	20,677	(18,128)
Interest paid	(2,878)	(1,740)
Income tax paid	(22,598)	(4,980)
Severance benefits paid	(692)	(1,600)
Net cash used in operating activities	<u>(5,491)</u>	<u>(26,448)</u>
Investing Activities		
Purchase of property, plant and equipment	(15,383)	(3,790)
Proceeds from disposal of property, plant and equipment	143	3,115
Investment	(5,407)	(12,167)
Interest received	1,252	1,104
Gross dividend received		93
Net cash used in investing activities	<u>(19,395)</u>	<u>(11,645)</u>
Financing Activities		
Borrowing from short term trade financing	49,729	43,466
Repayment of term loans	(7,037)	(4,750)
Drawdown of term loans	-	9,603
Dividend paid	(15,660)	(7,500)
Net cash from financing activities	<u>27,032</u>	<u>40,819</u>
Net Change in Cash & Cash Equivalents	2,146	2,726
Cash & Cash Equivalents at 1 January 2004	78,260	56,475
Cash & Cash Equivalents at 30 September 2004	<u>80,406</u>	<u>59,201</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 2003 and the accompanying explanatory notes attached to the interim financial statements.