

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

at 30 September 2005

	As at end of current quarter 30.09.2005 RM'000	As at preceding financial year end 31.12.2004 RM'000
Note		
NON-CURRENT ASSETS		
Property , Plant and equipment	136,069	119,725
Base Inventory	3,000	3,000
Investment in associates	19,364	14,669
Other Investment	1,108	1,108
Other assets	19,664	5,633
Goodwill on consolidation	9,922	9,922
CURRENT ASSETS		
Inventories	340,119	267,429
Trade receivables	97,166	112,432
Other receivables	51,139	22,745
Tax recoverable	13,585	119
Amount due from an associate	669	678
Cash, bank balances and deposits	47,509	112,981
	<u>550,187</u>	<u>516,384</u>
CURRENT LIABILITIES		
Trade payables	29,676	16,339
Other payables	34,563	39,355
Provisions for liabilities	6,235	4,562
Amount due to an associate	889	1,000
Taxation	3,496	32,390
Borrowings (unsecured) 19	310,701	241,327
	<u>385,560</u>	<u>334,973</u>
NET CURRENT ASSETS	<u>164,627</u>	<u>181,411</u>
	<u>353,754</u>	<u>335,468</u>
Financed by -		
Share capital	75,000	75,000
Reserves	196,637	173,435
Shareholders' equity	271,637	248,435
Minority interests	41,816	38,454
	<u>313,453</u>	<u>286,889</u>
NON-CURRENT LIABILITIES		
Provisions for liabilities	26,561	27,080
Deferred tax liabilities	4,416	5,646
Borrowings (unsecured) 19	9,324	15,853
	<u>353,754</u>	<u>335,468</u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2004 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 nine months period ended 30 September 2005

	Note	← 3 rd Quarter →		← Year Date →	
		30.09.2005 RM'000	30.09.2004 RM'000	30.09.2005 RM'000	30.09.2004 RM'000
Revenue		465,860	485,993	1,341,175	1,282,939
Profit from operations		16,827	36,360	75,292	95,055
Gross interest income		1,630	948	5,679	1,782
Finance cost		(2,963)	(1,125)	(7,082)	(3,165)
Share of profit / (loss) of associates		(335)	565	274	161
Profit before taxation		15,159	36,748	74,163	93,833
Taxation	15	(3,209)	(15,858)	(20,676)	(35,730)
Profit after taxation		11,950	20,890	53,487	58,103
Minority interest		(657)	(6,902)	(8,999)	(16,462)
Net profit for the period		11,293	13,988	44,488	41,641
Basic earnings per share (sen)	26	15.1	18.7	59.3	55.5
Net dividend per share (sen)	7			28.8	20.9
Net tangible assets per share (RM)				As at end of current quarter	As at preced financial year
				3.19	3.07

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.

MALAYSIA SMELTING CORPORATION BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the nine months period ended 30 September 2005

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, 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	-	-	-	-	-	(15,660)	(15,660)
At 30 September, 2004	<u>75,000</u>	<u>1,706</u>	<u>18,399</u>	<u>9,107</u>	<u>32</u>	<u>127,953</u>	<u>232,197</u>
At 1 January, 2005	75,000	1,706	13,880	9,194	1,298	147,357	248,435
Foreign exchange differences representing net gains not recognised in the income statement	-	-	-	-	353	-	353
Additional cost of investment	-	-	(39)	-	-	-	(39)
Net profit for the period	-	-	-	-	-	44,488	44,488
Dividend	7	-	-	-	-	(21,600)	(21,600)
At 30 September, 2005	<u>75,000</u>	<u>1,706</u>	<u>13,841</u>	<u>9,194</u>	<u>1,651</u>	<u>170,245</u>	<u>271,637</u>

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 2004 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 CASH FLOW STATEMENT

for the nine months period ended 30 September 2005

	2005	2004
	RM'000	RM'000
Cash generated from operations	20,292	20,677
Interest paid	(7,567)	(2,878)
Income tax paid	(63,988)	(22,598)
Severance benefits paid	(2,899)	(692)
Net cash used in operating activities	<u>(54,162)</u>	<u>(5,491)</u>
Investing Activities		
Purchase of property, plant and equipment	(31,163)	(15,383)
Deferred exploration and development expenditure	(14,031)	-
Proceeds from disposal of property, plant and equipment	93	143
Purchase of shares in an associate	(6,545)	(4,299)
Purchase of other investment	-	(1,108)
Net dividend received from an associate	101	-
Interest received	4,287	1,252
Net cash used in investing activities	<u>(47,258)</u>	<u>(19,395)</u>
Financing Activities		
Borrowing from short term trade financing	69,500	49,729
Repayment of term loans	(6,315)	(7,037)
Dividend paid		
shareholders of the Company	(21,600)	(15,660)
minority shareholders	(5,637)	-
Net cash from financing activities	<u>35,948</u>	<u>27,032</u>
Net Change in Cash & Cash Equivalents	(65,472)	2,146
Cash & Cash Equivalents at 1 January	112,981	78,260
Cash & Cash Equivalents at 30 September	<u>47,509</u>	<u>80,406</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 2004 and the accompanying explanatory notes attached to the interim financial statements.