

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

at 30 September 2009

	As at end of current quarter 30.09.2009 RM'000	As at preceding financial year end 31.12.2008 RM'000
Note		
NON-CURRENT ASSETS		
Property, Plant and equipment	112,785	106,921
Prepaid land lease payments	1,344	1,298
Base Inventory	3,000	3,000
Mining rights	2,456	4,621
Mining asset	38,821	-
Investment in associates	169,012	194,500
Other investments	47,376	47,261
Other assets	92,204	64,728
Deferred tax asset	21,283	18,073
	488,281	440,402
CURRENT ASSETS		
Inventories	252,959	260,823
Trade receivables	148,159	154,464
Other receivables	89,013	84,946
Tax recoverable	20,669	32,722
Amount due from related companies	1,586	2,916
Amount due from associates	-	13,699
Cash, bank balances and deposits	98,911	72,574
	611,297	622,144
CURRENT LIABILITIES		
Trade payables	30,836	17,905
Other payables	73,826	48,157
Provisions for liabilities	560	320
Amount due to an associate	500	550
Taxation	5,606	18,836
Borrowings (unsecured)	464,874	503,247
	576,202	589,015
NET CURRENT ASSETS	35,095	33,129
	523,376	473,531
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	75,000	75,000
Reserves	231,892	221,499
	306,892	296,499
Minority interests	43,351	44,033
Total Equity	350,243	340,532
NON-CURRENT LIABILITIES		
Provisions for liabilities	27,385	28,691
Deferred tax liabilities	2,090	2,033
Borrowing (unsecured)	143,658	102,275
	173,133	132,999
	523,376	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 30 September 2009

	Note	← 3 rd Quarter →		← Year Date →	
		3 months ended		9 months ended	
		30.09.2009	30.09.2008	30.09.2009	30.09.2008
		RM'000	RM'000	RM'000	RM'000
Revenue		610,662	702,901	1,380,403	1,871,268
Profit from operations		17,326	29,065	30,798	69,898
Gross interest income		1,191	1,770	5,922	7,332
Gross interest expense		(4,467)	(7,782)	(18,315)	(16,211)
Share of profit/ (loss) of associates		2,633	(1,016)	(217)	(5,426)
Profit before taxation		16,683	22,037	18,188	55,593
Taxation	16	(7,068)	(7,792)	(10,758)	(21,235)
Profit for the period		9,615	14,245	7,430	34,358
Attributable to:					
Equity holders of the Company		8,773	12,268	10,171	30,603
Minority interests		842	1,977	(2,741)	3,755
		9,615	14,245	7,430	34,358
Basic earnings per share (sen)	27	11.7	16.4	13.6	40.8
Proposed/Declared dividend per share (sen)	28			-	8.0
				As at end of current quarter	As at preceding financial year end
Net assets per share attributable to ordinary holders of the Company (RM)				4.09	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 Interests	Total Equity
	Share capital RM ' 000	Share premium RM ' 000	Non - Distributable Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Distributable Retained earnings RM ' 000	Sub-total 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	-	-	-	1,373	-	1,373	1,578	2,951
Net income recognised directly in equity	-	-	-	1,373	-	1,373	1,578	2,951
Profit for the period	-	-	-	-	30,603	30,603	3,755	34,358
Total recognised income and expense for the period	-	-	-	1,373	30,603	31,976	5,333	37,309
Dividend	-	-	-	-	(13,050)	(13,050)	-	(13,050)
At 30 September 2008	75,000	1,706	11,415	(12,480)	293,412	369,053	50,749	419,802

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

	Attributable to equity holders of the Company						Minority Interests	Total Equity
	Share capital RM ' 000	Share premium RM ' 000	Non - Distributable Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Retained earnings RM ' 000	Distributable Sub-total RM ' 000		
At 1 January 2009	75,000	1,706	15,105	(7,344)	212,032	296,499	44,033	340,532
Acquisition of subsidiaries							1,860	1,860
Foreign exchange differences representing net gain not recognised in the income statement				222		222	199	421
Net income recognised directly in equity				222		222	2,059	2,281
Profit/ (loss) for the period					10,171	10,171	(2,741)	7,430
Total recognised income and expense for the period				222	10,171	10,393	(682)	9,711
Dividend								
At 30 September 2009	75,000	1,706	15,105	(7,122)	222,203	306,892	43,351	350,243

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 30 September 2009

	2009 RM'000	2008 RM'000
Cash from/ (used) in operations	83,909	(2,160)
Interest paid	(20,017)	(13,074)
Income tax paid	(15,153)	(25,632)
Severance benefits paid	(4,242)	(110)
Net cash from/ (used) in operating activities	<u>44,497</u>	<u>(40,976)</u>
Investing Activities		
Acquisition of subsidiaries	1,891	-
Purchase of property, plant and equipment	(1,542)	(18,607)
Payment for prepaid lease payments	(112)	-
Payment for investment in associates	(768)	(155,228)
Payment for an insurance scheme	-	(2,956)
Payment for mining rights	-	(181)
Payment of deferred mine development and exploration expenditure	(26,815)	(43,960)
Proceeds from disposal of property, plant and equipment	235	25
Net dividend received from an associate	21	35
Interest received	5,945	7,299
Net cash used in investing activities	<u>(21,144)</u>	<u>(213,573)</u>
Financing Activities		
Borrowing of short term trade financing	8,409	167,723
Borrowing of term loans	8,683	115,350
Repayment of term loans	(14,109)	(7,624)
Dividend paid	-	(13,050)
Net cash from financing activities	<u>2,983</u>	<u>262,399</u>
Net Change in Cash & Cash Equivalents	26,336	7,850
Cash & Cash Equivalents at 1 January	72,575	51,930
Cash & Cash Equivalents at 30 September	<u>98,911</u>	<u>59,780</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.