

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

at 31 December 2009

	As at end of current quarter 31.12.2009 RM'000	As at preceding financial year end 31.12.2008 RM'000
Note		
NON-CURRENT ASSETS		
Property, Plant and equipment	88,165	106,921
Prepaid land lease payments	1,312	1,298
Base Inventory	3,000	3,000
Mining rights	1,683	4,621
Mining asset	73,184	-
Investment in associates	213,918	194,500
Other investments	165	47,261
Other assets	77,179	64,728
Goodwill on consolidation	6,152	
Amount due from an associate	2,648	-
Other receivable	11,098	-
Deferred tax asset	12,572	18,073
	491,076	440,402
CURRENT ASSETS		
Inventories	380,550	260,823
Trade receivables	131,688	154,464
Other receivables	71,476	84,946
Tax recoverable	20,044	32,722
Amount due from related companies	1,101	2,916
Amount due from associates	15,229	13,699
Cash, bank balances and deposits	65,285	72,574
	685,373	622,144
CURRENT LIABILITIES		
Trade payables	27,980	17,905
Other payables	63,187	48,157
Provisions for liabilities	7,308	320
Amount due to an associate	534	550
Taxation	19,955	18,836
Borrowings (unsecured) 20	509,521	503,247
	628,485	589,015
NET CURRENT ASSETS		
	56,888	33,129
	547,964	473,531
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	75,000	75,000
Reserves	227,841	221,499
	302,841	296,499
Minority interests	65,533	44,033
Total Equity	368,374	340,532
NON-CURRENT LIABILITIES		
Provisions for liabilities	21,001	28,691
Deferred tax liabilities	20,434	2,033
Borrowing (unsecured) 20	138,155	102,275
	179,590	132,999
	547,964	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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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2009

	Note	← 4 th Quarter →		← Year Date →	
		3 months ended		12 months ended	
		31.12.2009	31.12.2008	31.12.2009	31.12.2008
		RM'000	RM'000	RM'000	RM'000
Revenue		455,172	405,099	1,835,575	2,276,367
Profit/ (loss) from operations		28,051	(69,468)	58,849	430
Gross interest income		1,364	2,740	7,286	10,072
Gross interest expense		(4,874)	(8,571)	(23,189)	(24,782)
Share of profit/ (loss) of associates		438	(8,452)	221	(13,878)
Profit/ (loss) before taxation		24,979	(83,751)	43,167	(28,158)
Taxation	16	(28,737)	2,606	(39,495)	(18,629)
Profit/ (loss) for the year		(3,758)	(81,145)	3,672	(46,787)
Attributable to:					
Equity holders of the Company		(2,815)	(76,940)	7,356	(46,337)
Minority interests		(943)	(4,205)	(3,684)	(450)
		(3,758)	(81,145)	3,672	(46,787)
Basic earnings per share (sen)	27	(3.8)	(102.6)	9.8	(61.8)
Proposed/Declared dividend per share (sen)	28	3.0	-	3.0	8.0
Net assets per share attributable to ordinary holders of the Company (RM)				4.04	3.95

As at end of current quarter As at preceding financial year end

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
	← 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		
At 1 January 2008	75,000	1,706	11,415	(13,853)	275,859	350,127	45,416	395,543
Revaluation surplus, net of deferred tax	-	-	3,690	-	-	3,690	-	3,690
Foreign exchange differences representing net gain not recognised in the income statement	-	-	-	6,509	-	6,509	2,621	9,130
Net income recognised directly in equity	-	-	3,690	6,509	-	10,199	2,621	12,820
Profit for the year	-	-	-	-	(46,337)	(46,337)	(450)	(46,787)
Total recognised income and expense for the year	-	-	3,690	6,509	(46,337)	(36,138)	2,171	(33,967)
Dividend	-	-	-	-	(17,490)	(17,490)	(3,554)	(21,044)
At 31 December 2008	75,000	1,706	15,105	(7,344)	212,032	296,499	44,033	340,532

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

	Attributable to equity holders of the Company						Minority Interests	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		
At 1 January 2009	75,000	1,706	15,105	(7,344)	212,032	296,499	340,532	
Acquisition of subsidiaries							25,596	
Foreign exchange differences representing net losses not recognised in the income statement				(1,014)		(1,014)	(1,426)	
Net income/ (loss) recognised directly in equity				(1,014)		(1,014)	24,170	
Profit/ (loss) for the year					7,356	7,356	(3,684)	
Total recognised income and expense for the year				(1,014)	7,356	6,342	21,500	
Dividend							-	
At 31 December 2009	75,000	1,706	15,105	(8,358)	219,388	302,841	368,374	

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 year ended 31 December 2009

	2009 RM'000	2008 RM'000
Cash from operations	34,166	110,688
Interest paid	(27,060)	(23,448)
Income tax paid	(21,564)	(39,890)
Severance benefits paid	(635)	(6)
Net cash (used in)/ from operating activities	<u>(15,093)</u>	<u>47,344</u>
Investing Activities		
Acquisition of subsidiaries	1,891	-
Deemed disposal of a subsidiary	(688)	-
Purchase of property, plant and equipment	(3,829)	(21,412)
Payment for prepaid lease payments	(112)	-
Payment for investment in associates	(815)	(155,257)
Purchase of other investments	-	(47,150)
Payment for an insurance scheme	(7,771)	(3,013)
Payment for mining rights	-	(181)
Payment of deferred mine development and exploration expenditure	(31,561)	(50,670)
Proceeds from disposal of property, plant and equipment	308	82
Net dividend received from an associate	21	35
Interest received	7,305	8,740
Net cash used in investing activities	<u>(35,251)</u>	<u>(268,826)</u>
Financing Activities		
Borrowing of short term trade financing	46,872	153,047
Borrowing of term loans	8,683	121,890
Repayment of term loans	(12,500)	(11,767)
Dividend paid		
- shareholders of the Company	-	(17,490)
- minority shareholders of a subsidiary	-	(3,554)
Net cash from/(used) in financing activities	<u>43,055</u>	<u>242,126</u>
Net Change in Cash & Cash Equivalents	(7,289)	20,644
Cash & Cash Equivalents at 1 January	72,574	51,930
Cash & Cash Equivalents at 31 December	<u>65,285</u>	<u>72,574</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.