

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

at 30 September 2008

	As at end of current quarter 30.09.2008 RM'000	As at preceding financial year end 31.12.2007 RM'000
Note		
NON-CURRENT ASSETS		
Property, Plant and equipment	105,546	94,497
Prepaid land lease payments	1,266	1,354
Base Inventory	3,000	3,000
Mining rights	21,115	7,127
Investment in associates	239,709	28,464
Other investments	251	67,300
Other assets	58,019	30,062
Deferred tax asset	24,620	24,383
	453,526	256,187
CURRENT ASSETS		
Inventories	325,979	308,473
Trade receivables	257,167	160,075
Other receivables	137,593	60,465
Tax recoverable	2,462	1,544
Amount due from a related company	3,281	126
Amount due from associates	16,638	2,608
Cash, bank balances and deposits	59,780	51,930
	802,900	585,221
CURRENT LIABILITIES		
Trade payables	33,784	10,976
Other payables	111,638	44,222
Provisions for liabilities	3,319	2,906
Amount due to a related company	1,285	96
Amount due to an associate	500	500
Taxation	11,849	15,037
Borrowings (unsecured)	532,678	333,934
	695,053	407,671
NET CURRENT ASSETS		
	107,847	177,550
	561,373	433,737
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	75,000	75,000
Reserves	294,053	275,127
	369,053	350,127
Minority interests	50,749	45,416
Total Equity	419,802	395,543
NON-CURRENT LIABILITIES		
Provisions for liabilities	31,526	27,179
Deferred tax liabilities	2,030	2,015
Borrowing (unsecured)	108,015	9,000
	141,571	38,194
	561,373	433,737

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

for the period ended 30 September 2008

Note	← 3 rd Quarter →		← Year to Date →		
	3 months ended		9 months ended		
	30.09.2008	30.09.2007	30.09.2008	30.09.2007	
	RM'000	RM'000	RM'000	RM'000	
Revenue	702,901	490,522	1,871,268	1,178,110	
Profit from operations	29,065	19,421	69,898	50,814	
Gross interest income	1,770	967	7,332	1,951	
Gross interest expense	(7,782)	(4,266)	(16,211)	(10,248)	
Share of profit/(loss) of associates	(1,016)	244	(5,426)	651	
Profit before taxation	22,037	16,366	55,593	43,168	
Taxation	16	(7,792)	(7,136)	(21,235)	(17,686)
Profit for the period	14,245	9,230	34,358	25,482	
Attributable to:					
Equity holders of the parent	12,268	7,460	30,603	22,107	
Minority interest	1,977	1,770	3,755	3,375	
	14,245	9,230	34,358	25,482	
Basic earnings per share (sen)	27	16.4	9.9	40.8	29.5
Proposed/Declared dividend per share (sen)	28		8.0	8.0	
Net assets per share attributable to ordinary holders of the parent (RM)			As at end of current quarter	As at preceding financial year end	
			4.92	4.67	

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent							Minority Interest	Total Equity
	Share capital RM ' 000	Share premium RM ' 000	Non - Distributable		Distributable		Sub-total RM ' 000		
			Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Retained earnings RM ' 000				
Note	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000	
At 1 January, 2007	75,000	1,706	11,415	(5,140)	219,368	302,349	36,900	339,249	
Acquisition of a subsidiary							274	274	
Foreign exchange differences representing net loss not recognised in the income statement	-	-	-	(924)	-	(924)	(1,059)	(1,983)	
Net expense recognised directly in equity	-	-	-	(924)	-	(924)	(785)	(1,709)	
Profit for the period	-	-	-	-	22,107	22,107	3,375	25,482	
Total recognised income and expense for the period	-	-	-	(924)	22,107	21,183	2,590	23,773	
Dividend	-	-	-	-	(10,950)	(10,950)	-	(10,950)	
At 30 September, 2007	75,000	1,706	11,415	(6,064)	230,525	312,582	39,490	352,072	

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

	Attributable to equity holders of the parent							Minority Interest	Total Equity
	Share capital RM ' 000	Share premium RM ' 000	Non - Distributable		Distributable		Sub-total RM ' 000		
			Revaluation reserve RM ' 000	Foreign exchange reserve RM ' 000	Retained earnings 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 profit not recognised in the income statement	-	-	-	1,373	-	1,373	1,578	2,951	
Net expense 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	8	-	-	-	(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	

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 2007 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 2008

	2008	2007
	RM'000	RM'000
Cash (used in)/ generated from operations	(2,160)	(14,976)
Interest paid	(13,074)	(10,459)
Income tax paid	(25,632)	(17,047)
Severance benefits paid	(110)	(7,252)
Net cash (used in)/ from operating activities	<u>(40,976)</u>	<u>(49,734)</u>
Investing Activities		
Acquisition of a subsidiary	-	(411)
Purchase of property, plant and equipment	(18,607)	(13,946)
Purchase of shares in associates	(155,228)	-
Payment for an insurance scheme	(2,956)	-
Payment for mining rights	(16,069)	-
Payment of deferred mine development and exploration expenditure	(28,072)	(15,660)
Proceeds from disposal of property, plant and equipment	25	6,368
Net dividend received from an associate	35	34
Interest received	7,299	3,147
Net cash used in investing activities	<u>(213,573)</u>	<u>(20,468)</u>
Financing Activities		
Borrowing/ (Repayment) of short term trade financing	167,723	25,925
Borrowing of term loans	115,350	12,000
Repayment of term loan	(7,624)	(1,466)
Dividend paid	(13,050)	(6,570)
Net cash from/ (used in) financing activities	<u>262,399</u>	<u>29,889</u>
Net Change in Cash & Cash Equivalents	7,850	(40,313)
Cash & Cash Equivalents at 1 January	51,930	99,953
Cash & Cash Equivalents at 30 September	<u>59,780</u>	<u>59,640</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 2007 and the accompanying explanatory notes attached to the interim financial statements.