

Southern Steel Berhad
 Unaudited Condensed Consolidated Income Statements
 RM'000

	Current Qtr ended 30/9/04	Comparative Qtr ended 30/09/03	9 months Cumulative 30/9/04	9 months Cumulative 30/9/03
Revenue	724,399	542,949	1,842,794	1,383,825
Cost Of Sales	(651,507)	(493,704)	(1,623,474)	(1,232,346)
Gross Profit	72,892	49,245	219,320	151,479
Other Operating Expenses	(29,383)	(31,414)	(91,357)	(84,477)
Other Operating Income	1,966	1,492	18,841	3,548
Operating Profit	45,475	19,323	146,804	70,550
Finance cost	(9,804)	(10,126)	(27,144)	(32,140)
Share of results of associated companies	(949)	3,817	4,057	9,241
Profit before tax	34,722	13,014	123,717	47,651
Taxation	(5,011)	(6,044)	(31,188)	(18,134)
Share of taxes of associated companies	(393)	(392)	(772)	(1,282)
	(5,404)	(6,436)	(31,960)	(19,416)
Profit after tax	29,318	6,578	91,757	28,235
Minority Interests	(320)	1,189	(980)	1,953
Net Profit for the period	28,998	7,767	90,777	30,188
EPS – Basic (SEN)	9.7	2.7	30.4	10.7
- Diluted (SEN)	7.0	1.9	21.9	7.3

Southern Steel Berhad
Unaudited Condensed Consolidated Balance Sheets
RM'000

	Unaudited Quarter ended 30/9/04 RM'000	Audited Year ended 31/12/03 RM'000
Property, Plant & Equipment	1,000,153	1,057,527
Goodwill On Consolidation	53,735	56,581
Investments in Associates	85,398	78,738
Other Investments	708	708
Current Assets		
Inventories	560,011	375,251
Receivables	190,746	174,462
Investment	319	510
Bank & Cash balances	52,678	71,220
	803,754	621,443
Current Liabilities		
Payables	220,573	236,008
Short Term Borrowings	633,960	658,082
Taxation	5,223	1,627
	859,756	895,717
Net Current Liabilities	(56,002)	(274,274)
	1,083,992	919,280
Share Capital	307,619	287,461
Reserves	199,288	121,059
ICULS (Equity Component)	92,137	108,750
Shareholders' Fund	599,044	517,270
Minority Interest	4,192	3,210
Long Term Liabilities		
Borrowings	343,329	281,381
ICULS (Liability Component)	16,010	23,880
Other deferred liabilities	121,417	93,539
	1,083,992	919,280

Southern Steel Berhad
Unaudited Condensed Consolidated Cash Flow Statement

	9 months Cumulative 30/9/04 RM'000	9 months Cumulative 30/9/03 RM'000
OPERATING ACTIVITIES		
Profit before taxation	123,717	47,651
Adjustments for:		
Depreciation & amortisation	69,144	70,499
Interest expense	27,144	32,140
Share of results of associated companies	(4,057)	(9,241)
Provisions for inventories, doubtful debts & others	44,371	20,949
Operating profit before working capital changes	<u>260,319</u>	<u>161,998</u>
Changes in working capital	(257,106)	(138,534)
Cash generated from operations	<u>3,213</u>	<u>23,464</u>
Retirement benefits paid	(1,247)	(967)
Interest paid	(30,632)	(30,504)
Income tax paid	(1,324)	(862)
Net cash flows from operating activities	<u>(29,990)</u>	<u>(8,869)</u>
INVESTING ACTIVITIES		
Dividend income	1,809	550
Purchase of property, plant & equipment	(11,345)	(7,586)
Others	(1,952)	1,451
Net cash used in investing activities	<u>(11,488)</u>	<u>(5,585)</u>
FINANCING ACTIVITIES		
Term loan repayment	(32,925)	(180,490)
Short term borrowings	70,668	66,017
Proceeds from ICULS	-	141,177
Dividends paid	(15,381)	(8,471)
Others	-	-
	<u>22,362</u>	<u>18,233</u>
Net change in cash and cash equivalents	(19,116)	3,779
Cash & cash equivalents at beginning of period	63,478	26,190
Cash & cash equivalents at end of period	<u>44,362</u>	<u>29,969</u>
Cash & cash equivalents :		
Cash in hand and at bank	22,678	9,307
Short term deposits	30,000	28,105
Bank Overdraft	(8,316)	(7,443)
	<u>44,362</u>	<u>29,969</u>

Changes in Equities

Southern Steel Berhad
Unaudited Condensed Consolidated Statements of Changes in Equity
RM'000

	Share Capital RM'000	Reserves RM'000	Retained Profit/ (Accumulated Losses) RM'000	ICULS- Equity RM'000	Total RM'000
Balance at 1.1.03	282,353	154,079	(78,560)	-	357,872
Movements during the period	4,903	(126)	30,188	108,918	141,199
Dividend	-	-	(8,471)	-	(8,471)
Balance at 30.9.03	<u>287,256</u>	<u>153,953</u>	<u>(56,843)</u>	<u>108,918</u>	<u>490,600</u>
Balance at 1.1.04	287,461	152,020	(30,961)	108,750	517,270
Movements during the period	20,158	2,833	90,777	(16,613)	97,155
Dividend	-	-	(15,381)	-	(15,381)
Balance at 30.9.04	<u>307,619</u>	<u>154,853</u>	<u>44,435</u>	<u>92,137</u>	<u>599,044</u>