

Southern Steel Berhad
 Unaudited Condensed Consolidated Income Statements
 RM'000

	Current Qtr ended 31/12/04	Comparative Qtr ended 31/12/03	12 months Cumulative 31/12/04	12 months Cumulative 31/12/03
Revenue	556,034	494,930	2,398,828	1,878,755
Cost Of Sales	<u>(506,258)</u>	<u>(460,512)</u>	<u>(2,129,732)</u>	<u>(1,692,858)</u>
Gross Profit	49,776	34,418	269,096	185,897
Other Operating Expenses	(26,677)	(29,771)	(118,034)	(114,248)
Other Operating Income	661	20,728	19,502	24,276
Operating Profit	<u>23,760</u>	<u>25,375</u>	<u>170,564</u>	<u>95,925</u>
Finance cost	(10,564)	(9,762)	(37,708)	(41,902)
Share of results of associated companies	<u>1,324</u>	<u>7,340</u>	<u>5,381</u>	<u>16,581</u>
Profit before tax	14,520	22,953	138,237	70,604
Taxation	(6,172)	(2,200)	(37,360)	(20,334)
Share of taxes of associated companies	(786)	779	(1,558)	(503)
	<u>(6,958)</u>	<u>(1,421)</u>	<u>(38,918)</u>	<u>(20,837)</u>
Profit after tax	<u>7,562</u>	<u>21,532</u>	<u>99,319</u>	<u>49,767</u>
Minority Interests	(263)	598	(1,243)	2,551
Net Profit for the period	<u><u>7,299</u></u>	<u><u>22,130</u></u>	<u><u>98,076</u></u>	<u><u>52,318</u></u>
EPS – Basic (SEN)	<u><u>2.4</u></u>	<u><u>7.7</u></u>	<u><u>32.5</u></u>	<u><u>18.4</u></u>
- Diluted (SEN)	<u><u>1.8</u></u>	<u><u>6.6</u></u>	<u><u>23.7</u></u>	<u><u>15.6</u></u>

Southern Steel Berhad
Unaudited Condensed Consolidated Balance Sheets
RM'000

	Unaudited Quarter ended 31/12/04 RM'000	Audited Year ended 31/12/03 RM'000
Property, Plant & Equipment	992,181	1,057,527
Goodwill On Consolidation	52,786	56,581
Investments in Associates	82,734	78,738
Other Investments	860	708
Current Assets		
Inventories	642,835	375,251
Receivables	175,394	174,462
Investment	319	510
Bank & Cash balances	62,095	71,220
	880,643	621,443
Current Liabilities		
Payables	225,821	236,008
Short Term Borrowings	721,045	658,082
Taxation	2,438	1,627
	949,304	895,717
Net Current Liabilities	(68,661)	(274,274)
	1,059,900	919,280
Share Capital	318,700	287,461
Reserves	188,339	121,059
ICULS (Equity Component)	83,005	108,750
Shareholders' Fund	590,044	517,270
Minority Interest	4,452	3,210
Long Term Liabilities		
Borrowings	326,333	281,381
ICULS (Liability Component)	13,252	23,880
Other deferred liabilities	125,819	93,539
	1,059,900	919,280

Southern Steel Berhad
Unaudited Condensed Consolidated Cash Flow Statement

	12 months Cumulative 31/12/04 RM'000	12 months Cumulative 31/12/03 RM'000
OPERATING ACTIVITIES		
Profit before taxation	138,237	70,604
Adjustments for:		
Depreciation & amortisation	92,395	93,997
Interest expense	37,708	41,902
Share of results of associated companies	(5,381)	(16,581)
Provisions for inventories, doubtful debts & others	39,059	3,809
Operating profit before working capital changes	<u>302,018</u>	<u>193,731</u>
Changes in working capital	(321,987)	(41,200)
Cash generated from operations	<u>(19,969)</u>	<u>152,531</u>
Retirement benefits paid	(1,766)	(1,254)
Interest paid	(38,437)	(39,747)
Income tax paid	(5,542)	(2,655)
Net cash flows from operating activities	<u>(65,714)</u>	<u>108,875</u>
INVESTING ACTIVITIES		
Dividend income	1,825	561
Purchase of property, plant & equipment	(24,704)	(17,906)
Others	1,943	(30)
Net cash used in investing activities	<u>(20,936)</u>	<u>(17,375)</u>
FINANCING ACTIVITIES		
Term loan repayment	(52,987)	(219,624)
Short term borrowings	165,057	32,708
Proceeds from ICULS	-	141,176
Dividends paid	(31,288)	(8,471)
Others	-	-
	<u>80,782</u>	<u>(54,211)</u>
Net change in cash and cash equivalents	(5,868)	37,289
Cash & cash equivalents at beginning of period	63,479	26,190
Cash & cash equivalents at end of period	<u><u>57,611</u></u>	<u><u>63,479</u></u>
Cash & cash equivalents :		
Cash in hand and at bank	23,795	20,020
Short term deposits	38,300	51,200
Bank Overdraft	(4,484)	(7,741)
	<u><u>57,611</u></u>	<u><u>63,479</u></u>

Changes of Equity

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 as reported	282,353	177,590	(48,926)	-	411,017
Changes in accounting policies	-	(25,802)	(25,882)	-	(51,684)
Balance at 1.1.03	282,353	151,788	(74,808)	-	359,333
Movements during the period	5,108	232	52,318	108,750	166,408
Dividend	-	-	(8,471)	-	(8,471)
Balance at 31.12.03	287,461	152,020	(30,961)	108,750	517,270
Balance at 1.1.04	287,461	152,020	(30,961)	108,750	517,270
Movements during the period	31,239	492	98,076	(25,745)	104,062
Transfer to Capital Redemption Reserve	-	50	(50)	-	-
Dividend paid	-	-	(31,288)	-	(31,288)
Balance at 31.12.04	318,700	152,562	35,777	83,005	590,044