

Southern Steel Berhad
Unaudited Condensed Consolidated Income Statements
RM'000

	Current Qtr ended 30/6/05	Current Qtr ended 30/6/04	6 months Cumulative 30/6/05	6 months Cumulative 30/6/04
Revenue	668,435	565,177	1,254,320	1,118,395
Cost Of Sales	<u>(625,525)</u>	<u>(480,965)</u>	<u>(1,173,971)</u>	<u>(971,967)</u>
Gross Profit	42,910	84,212	80,349	146,428
Other Operating Expenses	(30,897)	(30,178)	(59,378)	(61,974)
Other Operating Income	3,171	1,443	4,602	16,875
Operating Profit	<u>15,184</u>	<u>55,477</u>	<u>25,573</u>	<u>101,329</u>
Finance cost	(11,075)	(8,607)	(21,254)	(17,340)
Share of results of associated companies	<u>(839)</u>	<u>(1,962)</u>	<u>2,095</u>	<u>5,006</u>
Profit before tax	3,270	44,908	6,414	88,995
Taxation	(3,108)	(13,385)	(3,528)	(26,177)
Share of taxes of associated companies	(107)	(108)	1,385	(379)
	<u>(3,215)</u>	<u>(13,493)</u>	<u>(2,143)</u>	<u>(26,556)</u>
Profit after tax	55	31,415	4,271	62,439
Minority Interests	498	(591)	577	(660)
Net Profit for the period	<u>553</u>	<u>30,824</u>	<u>4,848</u>	<u>61,779</u>
EPS – Basic (SEN)	<u>0.2</u>	<u>10.5</u>	<u>1.5</u>	<u>21.0</u>
- Diluted (SEN)	<u>0.2</u>	<u>7.8</u>	<u>1.3</u>	<u>15.8</u>

Southern Steel Berhad
 Unaudited Condensed Consolidated Balance Sheets
 RM'000

	Unaudited Quarter ended 30/6/05 RM'000	Audited Year ended 31/12/04 RM'000
Property, Plant & Equipment	965,544	992,184
Goodwill On Consolidation	50,889	52,786
Investments in Associates	85,658	82,731
Other Investments	860	860
Current Assets		
Inventories	759,546	642,835
Receivables	183,106	175,392
Investment	319	319
Bank & Cash balances	43,346	62,095
	986,317	880,641
Current Liabilities		
Payables	272,937	225,821
Short Term Borrowings	797,189	721,045
Taxation	1,929	2,438
	1,072,055	949,304
Net Current Liabilities	(85,738)	(68,663)
	1,017,213	1,059,898
Share Capital	350,476	318,700
Reserves	175,494	188,335
ICULS (Equity Component)	56,817	83,005
Shareholders' Fund	582,787	590,040
Minority Interest	5,737	4,453
Long Term Liabilities		
Borrowings	293,115	326,333
ICULS (Liability Component)	7,314	13,252
Other deferred liabilities	128,260	125,820
	1,017,213	1,059,898

Southern Steel Berhad
Unaudited Condensed Consolidated Cash Flow Statement

	6 months Cumulative 30/6/05 RM'000	6 months Cumulative 30/6/04 RM'000
OPERATING ACTIVITIES		
Profit before taxation	6,414	88,995
Adjustments for:		
Depreciation & amortization	45,803	46,240
Interest expense	21,254	17,340
Share of results of associated companies	(2,095)	(5,006)
Provisions for inventories, doubtful debts & others	9,936	31,106
Operating profit before working capital changes	81,312	178,675
Changes in working capital	(84,360)	(236,815)
Cash generated from operations	(3,048)	(58,140)
Retirement benefits/other provision paid	(610)	(528)
Interest paid	(24,229)	(16,099)
Income tax paid	(2,688)	(676)
Net cash flows from operating activities	(30,575)	(75,443)
INVESTING ACTIVITIES		
Dividend income	550	550
Purchase of property, plant & equipment	(20,382)	(6,117)
Others	3,110	(2,077)
Net cash used in investing activities	(16,722)	(7,644)
FINANCING ACTIVITIES		
Term loan repayment	(25,016)	(56,818)
Short term borrowings	45,593	100,400
Proceeds from issuance of shares	1,875	-
Dividends paid	(17,524)	(15,381)
Others	0	0
	4,928	28,201
Net change in cash and cash equivalents	(42,369)	(54,886)
Cash & cash equivalents at beginning of period	57,611	63,478
Cash & cash equivalents at end of period	15,242	8,592
Cash & cash equivalents :		
Cash in hand and at bank	16,946	19,458
Short term deposits	26,400	12,200
Bank Overdraft	(28,104)	(23,066)
	15,242	8,592

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 1.1.04	287,461	152,020	(30,961)	108,750	517,270
Movements during the period	20,158	2,978	61,779	(16,613)	68,302
Dividend	-	-	(15,381)	-	(15,381)
Balance at 30.6.04	<u>307,619</u>	<u>154,998</u>	<u>15,437</u>	<u>92,137</u>	<u>570,191</u>
Balance at 1.1.05	318,700	152,562	35,773	83,005	590,040
Movements during the period	31,776	(177)	4,848	(26,188)	10,259
Dividend	-	-	(17,524)	-	(17,524)
Accretion arising from additional Shares issued by a subsidiary	-	-	12	-	12
Balance at 30.6.05	<u>350,476</u>	<u>152,385</u>	<u>23,109</u>	<u>56,817</u>	<u>582,787</u>