

Southern Steel Berhad
Unaudited Condensed Consolidated Income Statements
RM'000

	Current Qtr ended 30/9/05	Current Qtr ended 30/9/04	9 months Cumulative 30/9/05	9 months Cumulative 30/9/04
Revenue	628,211	724,399	1,882,531	1,842,794
Cost Of Sales	<u>(606,503)</u>	<u>(651,507)</u>	<u>(1,780,474)</u>	<u>(1,623,474)</u>
Gross Profit	21,708	72,892	102,057	219,320
Other Operating Expenses	(30,280)	(29,383)	(89,658)	(91,357)
Other Operating Income	5,274	1,966	9,876	18,841
Operating Profit / (Loss)	<u>(3,298)</u>	<u>45,475</u>	<u>22,275</u>	<u>146,804</u>
Finance cost	(11,728)	(9,804)	(32,982)	(27,144)
Share of results of associated companies	<u>(5,481)</u>	<u>(949)</u>	<u>(3,386)</u>	<u>4,057</u>
Profit / (Loss) before tax	<u>(20,507)</u>	<u>34,722</u>	<u>(14,093)</u>	<u>123,717</u>
Taxation	430	(5,011)	(3,098)	(31,188)
Share of taxes of associated companies	539	(393)	1,924	(772)
	969	(5,404)	(1,174)	(31,960)
Profit / (Loss) after tax	<u>(19,538)</u>	<u>29,318</u>	<u>(15,267)</u>	<u>91,757</u>
Minority Interests	2,119	(320)	2,696	(980)
Net Profit / (Loss) for the period	<u><u>(17,419)</u></u>	<u><u>28,998</u></u>	<u><u>(12,571)</u></u>	<u><u>90,777</u></u>
EPS/(LPS) – Basic (SEN)	<u><u>(4.9)</u></u>	<u><u>9.7</u></u>	<u><u>(3.7)</u></u>	<u><u>30.4</u></u>
- Diluted (SEN)	<u><u>(4.1)</u></u>	<u><u>7.0</u></u>	<u><u>(2.9)</u></u>	<u><u>21.9</u></u>

Southern Steel Berhad
Unaudited Condensed Consolidated Balance Sheets
RM'000

	Unaudited Quarter ended 30/9/05 RM'000	Audited Year ended 31/12/04 RM'000
Property, Plant & Equipment	945,563	992,184
Goodwill On Consolidation	49,941	52,786
Investments in Associates	81,083	82,731
Other Investments	860	860
Current Assets		
Inventories	543,232	642,835
Receivables	198,660	175,392
Investment	319	319
Bank & Cash balances	10,655	62,095
	752,866	880,641
Current Liabilities		
Payables	181,915	225,821
Short Term Borrowings	664,501	721,045
Taxation	1,372	2,438
	847,788	949,304
Net Current Liabilities	(94,922)	(68,663)
	982,525	1,059,898
Share Capital	362,176	318,700
Reserves	149,165	188,335
ICULS (Equity Component)	47,175	83,005
Shareholders' Fund	558,516	590,040
Minority Interest	3,618	4,453
Long Term Liabilities		
Borrowings	286,535	326,333
ICULS (Liability Component)	5,279	13,252
Other deferred liabilities	128,577	125,820
	982,525	1,059,898

Southern Steel Berhad
Unaudited Condensed Consolidated Cash Flow Statement

	9 months Cumulative 30/9/05 RM'000	9 months Cumulative 30/9/04 RM'000
OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(14,093)	123,717
Adjustments for:		
Depreciation & amortization	68,646	69,144
Interest expense	32,982	27,144
Share of results of associated companies	3,386	(4,057)
Provisions for inventories, doubtful debts & others	15,930	44,371
Operating profit before working capital changes	<u>106,851</u>	<u>260,319</u>
Changes in working capital	11,833	(257,106)
Cash generated from operations	<u>118,684</u>	<u>3,213</u>
Retirement benefits/other provision paid	(841)	(1,247)
Interest paid	(31,535)	(30,632)
Income tax paid	(3,140)	(1,324)
Net cash flows from operating activities	<u>83,168</u>	<u>(29,990)</u>
INVESTING ACTIVITIES		
Dividend income	550	1,809
Purchase of property, plant & equipment	(22,652)	(11,345)
Others	3,412	(1,952)
Net cash used in investing activities	<u>(18,690)</u>	<u>(11,488)</u>
FINANCING ACTIVITIES		
Term loan repayment	(28,817)	(32,925)
Short term borrowings	(67,508)	70,668
Proceeds from issuance of shares	1,875	-
Dividends paid	(26,578)	(15,381)
Others	0	0
	<u>(121,028)</u>	<u>22,362</u>
Net change in cash and cash equivalents	(56,550)	(19,116)
Cash & cash equivalents at beginning of period	57,611	63,478
Cash & cash equivalents at end of period	<u><u>1,061</u></u>	<u><u>44,362</u></u>
Cash & cash equivalents :		
Cash in hand and at bank	10,005	22,678
Short term deposits	650	30,000
Bank Overdraft	(9,594)	(8,316)
	<u><u>1,061</u></u>	<u><u>44,362</u></u>

Changes of 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	2,833	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>
Balance at 1.1.05	318,700	152,562	35,773	83,005	590,040
Movements during the period	43,476	(33)	(12,571)	(35,830)	(4,958)
Dividend	-	-	(26,578)	-	(26,578)
Accretion arising from additional shares issued by a subsidiary	-	12	-	-	12
Balance at 30.9.05	<u>362,176</u>	<u>152,541</u>	<u>(3,376)</u>	<u>47,175</u>	<u>558,516</u>