

Southern Steel Berhad
Unaudited Condensed Consolidated Income Statements
RM'000

	Current Qtr ended 31/12/05	Current Qtr ended 31/12/04	12 months Cumulative 31/12/05	12 months Cumulative 31/12/04
Revenue	547,963	556,072	2,430,494	2,398,866
Cost Of Sales	<u>(534,922)</u>	<u>(506,297)</u>	<u>(2,315,396)</u>	<u>(2,129,771)</u>
Gross Profit	13,041	49,775	115,098	269,095
Other Operating Expenses	(28,298)	(29,216)	(117,956)	(120,573)
Other Operating Income	4,184	3,199	14,060	22,040
Operating Profit /(Loss)	<u>(11,073)</u>	<u>23,758</u>	<u>11,202</u>	<u>170,562</u>
Finance cost	(10,077)	(10,564)	(43,059)	(37,708)
Share of results of associated companies	<u>(5,155)</u>	<u>1,507</u>	<u>(8,541)</u>	<u>5,564</u>
Profit / (Loss) before tax	(26,305)	14,701	(40,398)	138,418
Taxation	5,420	(6,172)	2,322	(37,360)
Share of taxes of associated companies	1,283	(971)	3,207	(1,743)
	6,703	(7,143)	5,529	(39,103)
Profit (Loss) after tax	<u>(19,602)</u>	<u>7,558</u>	<u>(34,869)</u>	<u>99,315</u>
Minority Interests	1,296	(263)	3,992	(1,243)
Net Profit / (Loss) for the period	<u><u>(18,306)</u></u>	<u><u>7,295</u></u>	<u><u>(30,877)</u></u>	<u><u>98,072</u></u>
EPS/(LPS) – Basic (SEN)	<u><u>(5.1)</u></u>	<u><u>2.4</u></u>	<u><u>(8.9)</u></u>	<u><u>32.5</u></u>
- Diluted (SEN)	<u><u>(4.3)</u></u>	<u><u>1.8</u></u>	<u><u>(7.2)</u></u>	<u><u>23.7</u></u>

Southern Steel Berhad
Unaudited Condensed Consolidated Balance Sheets
RM'000

	Unaudited Quarter ended 31/12/05 RM'000	Audited Year ended 31/12/04 RM'000
Property, Plant & Equipment	928,977	992,184
Goodwill On Consolidation	48,991	52,786
Investments in Associates	80,345	82,731
Other Investments	860	860
Current Assets		
Inventories	581,690	642,835
Receivables	155,340	175,392
Investment	319	319
Bank & Cash balances	51,288	62,095
	788,637	880,641
Current Liabilities		
Payables	212,201	225,821
Short Term Borrowings	696,771	721,045
Taxation	1,114	2,438
	910,086	949,304
Net Current Liabilities	(121,449)	(68,663)
	937,724	1,059,898
Share Capital	362,176	318,700
Reserves	131,097	188,335
ICULS (Equity Component)	47,174	83,005
Shareholders' Fund	540,447	590,040
Minority Interest	2,345	4,453
Long Term Liabilities		
Borrowings	263,655	326,333
ICULS (Liability Component)	4,571	13,252
Other deferred liabilities	126,706	125,820
	937,724	1,059,898

Southern Steel Berhad
Unaudited Condensed Consolidated Cash Flow Statement

	12 months Cumulative 31/12/05 RM'000	12 months Cumulative 31/12/04 RM'000
OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(40,398)	138,418
Adjustments for:		
Depreciation & amortization	91,812	92,395
Interest expense	43,059	37,708
Share of results of associated companies	8,541	(5,564)
Provisions for inventories, doubtful debts & others	28,964	41,030
Operating profit before working capital changes	<u>131,978</u>	<u>303,987</u>
Changes in working capital	51,265	(324,983)
Cash generated from operations	<u>183,243</u>	<u>(20,996)</u>
Retirement benefits/other provision paid	(987)	(1,766)
Interest paid	(50,775)	(38,436)
Income tax paid	(3,469)	(5,543)
Net cash flows from operating activities	<u>128,012</u>	<u>(66,741)</u>
INVESTING ACTIVITIES		
Dividend income	550	1,824
Purchase of property, plant & equipment	(29,997)	(23,881)
Others	(1,569)	2,148
Net cash used in investing activities	<u>(31,016)</u>	<u>(19,909)</u>
FINANCING ACTIVITIES		
Term loan repayment	(56,839)	(52,987)
Short term borrowings	(39,018)	165,057
Proceeds from issuance of shares	1,875	0
Dividends paid	(26,578)	(31,288)
	<u>(120,560)</u>	<u>80,782</u>
Net change in cash and cash equivalents	(23,564)	(5,868)
Cash & cash equivalents at beginning of period	57,611	63,479
Cash & cash equivalents at end of period	<u><u>34,047</u></u>	<u><u>57,611</u></u>
Cash & cash equivalents :		
Cash in hand and at bank	39,750	23,795
Short term deposits	11,538	38,300
Bank Overdraft	(17,241)	(4,484)
	<u><u>34,047</u></u>	<u><u>57,611</u></u>

Changes of Equity

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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	31,239	492	98,072	(25,745)	104,058
Redemption of Preference Shares	-	50	(50)	-	-
Dividend paid	-	-	(31,288)	-	(31,288)
Balance at 31.12.04	318,700	152,562	35,773	83,005	590,040
Balance at 1.1.05	318,700	152,562	35,773	83,005	590,040
Movements during the period	43,476	205	(30,877)	(35,829)	(23,027)
Dividend paid	-	-	(26,578)	-	(26,578)
Accretion arising from additional shares issued by a subsidiary	-	12	-	-	12
Balance at 31.12.05	362,176	152,779	(21,682)	47,174	540,447