

**Southern Steel Berhad**  
**Unaudited Condensed Consolidated Income Statements**

	<b>Current Qtr ended 31/12/06 RM'000</b>	<b>Current Qtr ended 31/12/05 RM'000</b>	<b>12 months Cumulative 31/12/06 RM'000</b>	<b>12 months Cumulative 31/12/05 RM'000</b>
Revenue	585,818	547,963	2,353,284	2,430,494
Cost Of Sales	<u>(550,660)</u>	<u>(534,742)</u>	<u>(2,162,463)</u>	<u>(2,315,216)</u>
Gross Profit	35,158	13,221	190,821	115,278
Other Operating Expenses	(30,273)	(28,479)	(116,510)	(118,137)
Other Operating Income	21,426	4,184	36,470	14,060
Finance cost	(11,891)	(10,077)	(45,740)	(43,059)
Share of results of associated companies	<u>407</u>	<u>(3,871)</u>	<u>(1,763)</u>	<u>(5,333)</u>
Profit / (Loss) before tax	14,827	(25,022)	63,278	(37,191)
Taxation	961	5,420	21,458	2,322
Profit /(Loss) for the period	<u>15,788</u>	<u>(19,602)</u>	<u>84,736</u>	<u>(34,869)</u>
Attributable to :				
Equity holders of the parent	15,961	(18,306)	84,518	(30,877)
Minority Interests	(173)	(1,296)	218	(3,992)
Profit /(Loss) for the period	<u>15,788</u>	<u>(19,602)</u>	<u>84,736</u>	<u>(34,869)</u>
EPS / (LPS) – Basic (SEN)	<u>3.8</u>	<u>(4.4)</u>	<u>20.2</u>	<u>(7.4)</u>

**Southern Steel Berhad**  
**Unaudited Condensed Consolidated Balance Sheets**

	Unaudited Year ended 31/12/06 RM'000	Audited Year ended 31/12/05 RM'000
<b>NET ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant & Equipment	871,800	928,977
Goodwill On Consolidation	48,991	48,991
Investments in Associates	13,076	80,345
Other Investments	860	860
	934,727	1,059,173
<b>Current Assets</b>		
Inventories	584,771	581,690
Receivables	181,286	155,545
Investment	-	319
Bank & Cash balances	64,748	51,288
	830,805	788,842
Non Current Assets Classified as Held for Sale	63,941	-
	894,746	788,842
<b>Current Liabilities</b>		
Payables	229,121	212,201
Short Term Borrowings	687,563	696,771
Current Income Tax Liabilities	301	1,319
	916,985	910,291
Net Current Assets / (Liabilities)	(22,239)	(121,449)
<b>Non Current Liabilities</b>		
Borrowings	179,163	263,655
ICULS (Liability Component)	1,833	4,571
Deferred tax liabilities	81,111	102,118
Other deferred liabilities	23,675	24,588
	285,782	394,932
<b>Total Net Assets</b>	<b>626,706</b>	<b>542,792</b>
<b>EQUITY</b>		
Share Capital	362,029	361,780
Reserves	215,161	131,493
ICULS (Equity Component)	46,953	47,174
Equity attributable to equity holders of the company	624,143	540,447
Minority Interest	2,563	2,345
<b>Total Equity</b>	<b>626,706</b>	<b>542,792</b>

**Southern Steel Berhad**  
**Unaudited Condensed Consolidated Cash Flow Statement**

	12 months Cumulative 31/12/06 RM'000	12 months Cumulative 31/12/05 RM'000
<b>OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	63,278	(37,191)
Adjustments for:		
Depreciation	85,148	91,733
Interest expense	45,740	43,059
Share of results of associated companies	1,763	5,333
Provisions for inventories, doubtful debts & others	8,728	30,677
Operating profit before working capital changes	<u>204,657</u>	<u>133,611</u>
Changes in working capital	(42,289)	49,608
Cash generated from operations	<u>162,368</u>	<u>183,219</u>
Retirement benefits/other provision paid	(1,669)	(987)
Interest paid	(48,056)	(50,681)
Income tax paid	(1,952)	(3,470)
Net cash flows from operating activities	<u>110,691</u>	<u>128,081</u>
<b>INVESTING ACTIVITIES</b>		
Dividend income	587	550
Purchase of property, plant & equipment	(27,810)	(29,997)
Others	1,796	(1,638)
Net cash used in investing activities	<u>(25,427)</u>	<u>(31,085)</u>
<b>FINANCING ACTIVITIES</b>		
Term loan repayment	(68,974)	(44,964)
Short term borrowings	(15,766)	(50,893)
Proceeds from issuance of shares	-	1,875
Dividends paid	-	(26,578)
Others	-	-
Net cash used in financing activities	<u>(84,740)</u>	<u>(120,560)</u>
Net change in cash and cash equivalents	524	(23,564)
Cash & cash equivalents at beginning of period	34,047	57,611
Cash & cash equivalents at end of period	<u>34,571</u>	<u>34,047</u>
<b>Cash &amp; cash equivalents :</b>		
Cash in hand and at bank	50,218	39,750
Short term deposits	14,530	11,538
Bank Overdraft	(30,177)	(17,241)
	<u>34,571</u>	<u>34,047</u>

Southern Steel Berhad  
 Unaudited Condensed Consolidated Statements of Changes in Equity

< ----- Attributable to Equity Holders of SSB ----- >

	Share Capital RM'000	Reserves RM'000	Retained Profit / (Accumulated Losses) RM'000	ICULS- Equity RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
Balance at 1.1.05	318,700	152,562	35,773	83,005	590,040	4,453	594,493
Movements during the period	43,080	601	(30,877)	(35,831)	(23,027)	(2,108)	(25,135)
Dividend	-	-	(26,578)	-	(26,578)	-	(26,578)
Accretion arising from additional Shares issued by a subsidiary	-	12	-	-	12	-	12
Balance at 31.12.05	<u>361,780</u>	<u>153,175</u>	<u>(21,682)</u>	<u>47,174</u>	<u>540,447</u>	<u>2,345</u>	<u>542,792</u>
Balance at 1.1.06	361,780	153,175	(21,682)	47,174	540,447	2,345	542,792
Reclassified upon adoption Of FRS 3	-	(3,065)	3,065	-	-	-	-
Movements during the period	249	(908)	84,576	(221)	83,696	218	83,914
Balance at 31.12.06	<u>362,029</u>	<u>149,202</u>	<u>65,959</u>	<u>46,953</u>	<u>624,143</u>	<u>2,563</u>	<u>626,706</u>