

Southern Steel Berhad
Unaudited Condensed Consolidated Income Statements

	Current Qtr ended 31/03/07 RM'000	Current Qtr ended 31/03/06 RM'000	3 months Cumulative 31/03/07 RM'000	3 months Cumulative 31/03/06 RM'000
Revenue	559,546	522,801	559,546	522,801
Cost of sales	<u>(517,721)</u>	<u>(501,379)</u>	<u>(517,721)</u>	<u>(501,379)</u>
Gross profit	41,825	21,422	41,825	21,422
Other operating expenses	(28,104)	(27,876)	(28,104)	(27,876)
Other operating income	9,243	11,392	9,243	11,392
Finance cost	(11,016)	(10,912)	(11,016)	(10,912)
Share of results of associated companies	<u>631</u>	<u>(1,602)</u>	<u>631</u>	<u>(1,602)</u>
Profit/(Loss) before taxation	12,579	(7,576)	12,579	(7,576)
Taxation	922	2,513	922	2,513
Profit/(Loss) for the period	<u>13,501</u>	<u>(5,063)</u>	<u>13,501</u>	<u>(5,063)</u>
Attributable to:				
Equity holders of the parent	13,445	(4,732)	13,445	(4,732)
Minority interests	56	(331)	56	(331)
Profit/(Loss) for the period	<u>13,501</u>	<u>(5,063)</u>	<u>13,501</u>	<u>(5,063)</u>
Earnings/(Loss) per share (SEN)				
- Basic and fully diluted	<u>3.2</u>	<u>(1.1)</u>	<u>3.2</u>	<u>(1.1)</u>

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Unaudited Condensed Consolidated Balance Sheets

	Unaudited Year ended 31/03/07 RM'000	Audited Year ended 31/12/06 (Restated) RM'000
NET ASSETS		
Non-Current Assets		
Property, plant & equipment	754,712	781,460
Prepaid lease payment	89,814	90,340
Goodwill on consolidation	48,991	48,991
Investments in associates	13,707	13,076
Other investments	860	860
	908,084	934,727
Current Assets		
Inventories	687,925	584,771
Receivables	228,641	181,286
Investment	-	-
Bank and cash balances	23,828	64,748
	940,394	830,805
Non-Current Assets Classified as Held for Sale	-	63,941
	<u>940,394</u>	<u>894,746</u>
Current Liabilities		
Payables	181,452	229,121
Short term borrowings	745,874	687,563
Current income tax liabilities	304	301
	927,630	916,985
Net Current Assets / (Liabilities)	<u>12,764</u>	<u>(22,239)</u>
Non-Current Liabilities		
Borrowings	171,956	179,163
ICULS (liability component)	4,066	1,833
Deferred tax liabilities	80,186	81,111
Other deferred liabilities	24,433	23,675
	280,641	285,782
Total Net Assets	<u>640,207</u>	<u>626,706</u>
EQUITY		
Share capital	362,041	362,029
Reserves	228,606	215,161
ICULS (equity component)	46,941	46,953
Equity attributable to equity holders of the company	637,588	624,143
Minority interest	2,619	2,563
Total Equity	<u>640,207</u>	<u>626,706</u>

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Unaudited Condensed Consolidated Cash Flow Statement

	3 months Cumulative 31/03/07 RM'000	3 months Cumulative 31/03/06 RM'000
OPERATING ACTIVITIES		
Profit/(Loss) before taxation	12,579	(7,576)
Adjustments for:		
Depreciation and amortisation	21,033	21,360
Interest expense	11,016	10,912
Share of results of associated companies	(631)	1,602
Gain on disposal of associated companies	(2,607)	-
Provisions for inventories, doubtful debts & others	3,181	(6,378)
Operating profit before working capital changes	<u>44,571</u>	<u>19,920</u>
Changes in working capital	(196,068)	14,294
Cash generated from operations	<u>(151,497)</u>	<u>34,214</u>
Retirement benefits/other provision paid	(240)	(52)
Interest paid	(13,750)	(5,757)
Income tax paid	(68)	(855)
Net cash flows from operating activities	<u>(165,555)</u>	<u>27,550</u>
INVESTING ACTIVITIES		
Dividend income	-	21
Proceeds from disposal of associated companies	66,544	-
Others	54	126
Net cash used in investing activities	<u>66,598</u>	<u>147</u>
FINANCING ACTIVITIES		
Term loan repayment	(3,498)	(3,682)
Short term borrowings	80,566	(37,927)
Net cash used in financing activities	<u>77,068</u>	<u>(41,609)</u>
Net change in cash and cash equivalents	(21,889)	(13,912)
Cash & cash equivalents at beginning of period	34,571	34,047
Cash & cash equivalents at end of period	<u><u>12,682</u></u>	<u><u>20,135</u></u>
Cash & cash equivalents :		
Cash in hand and at bank	19,843	13,982
Short term deposits	3,985	11,139
Bank overdraft	(11,146)	(4,986)
	<u><u>12,682</u></u>	<u><u>20,135</u></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 01.01.06	361,780	153,175	(21,682)	47,174	540,447	2,345	542,792
Reclassified upon adoption Of FRS 3	-	(3,383)	3,383	-	-	-	-
Movements during the period	-	(1,463)	(4,732)	-	(6,195)	(331)	(6,526)
Balance at 31.03.06	<u>361,780</u>	<u>148,329</u>	<u>(23,031)</u>	<u>47,174</u>	<u>534,252</u>	<u>2,014</u>	<u>536,266</u>
Balance at 01.01.07	362,029	149,202	65,959	46,953	624,143	2,563	626,706
Movements during the period	12	(10,801)	24,246	(12)	13,445	56	13,501
Balance at 31.03.07	<u>362,041</u>	<u>138,401</u>	<u>90,205</u>	<u>46,941</u>	<u>637,588</u>	<u>2,619</u>	<u>640,207</u>