

Southern Steel Berhad
Unaudited Condensed Consolidated Income Statements

	Current Qtr ended 30/06/07 RM'000	Current Qtr ended 30/06/06 RM'000	6 months Cumulative 30/06/07 RM'000	6 months Cumulative 30/06/06 RM'000
Revenue	677,549	611,945	1,237,095	1,134,746
Cost of sales	<u>(589,290)</u>	<u>(549,089)</u>	<u>(1,105,704)</u>	<u>(1,050,182)</u>
Gross profit	88,259	62,856	131,391	84,564
Other operating expenses	(34,751)	(29,897)	(62,855)	(57,772)
Other operating income	1,333	3,013	9,269	14,119
Finance cost	(11,181)	(11,227)	(22,197)	(22,139)
Share of results of associated companies	<u>1,268</u>	<u>(330)</u>	<u>1,899</u>	<u>(1,932)</u>
Profit before taxation	44,928	24,415	57,507	16,840
Taxation	3,252	(7,130)	4,174	(4,617)
Profit for the period	<u>48,180</u>	<u>17,285</u>	<u>61,681</u>	<u>12,223</u>
Attributable to:				
Equity holders of the parent	48,159	16,883	61,604	12,152
Minority interests	21	402	77	71
Profit for the period	<u>48,180</u>	<u>17,285</u>	<u>61,681</u>	<u>12,223</u>
Earnings per share (SEN)				
- Basic and fully diluted	<u>11.5</u>	<u>4.0</u>	<u>14.7</u>	<u>2.9</u>

Southern Steel Berhad
Unaudited Condensed Consolidated Balance Sheets

	Unaudited Year ended 30/06/07 RM'000	Audited Year ended 31/12/06 (Restated) RM'000
NET ASSETS		
Non-Current Assets		
Property, plant & equipment	749,722	781,460
Prepaid lease payment	89,287	90,340
Goodwill on consolidation	48,991	48,991
Investments in associates	14,427	13,076
Other investments	860	860
	903,287	934,727
Current Assets		
Inventories	732,877	584,771
Receivables	236,973	181,286
Bank and cash balances	65,835	64,748
	1,035,685	830,805
Non-Current Assets Classified as Held for Sale	-	63,941
	<u>1,035,685</u>	<u>894,746</u>
Current Liabilities		
Payables	199,457	229,121
Short term borrowings	828,370	687,563
Current income tax liabilities	139	301
	1,027,966	916,985
Net Current Assets / (Liabilities)	<u>7,719</u>	<u>(22,239)</u>
Non-Current Liabilities		
Borrowings	134,981	179,163
ICULS (liability component)	1,677	1,833
Deferred tax liabilities	78,925	81,111
Other deferred liabilities	24,672	23,675
	240,255	285,782
Total Net Assets	<u>670,751</u>	<u>626,706</u>
EQUITY		
Share capital	387,279	362,029
Reserves	257,226	215,161
ICULS (equity component)	23,606	46,953
Equity attributable to equity holders of the company	668,111	624,143
Minority interest	2,640	2,563
Total Equity	<u>670,751</u>	<u>626,706</u>

Southern Steel Berhad
Unaudited Condensed Consolidated Cash Flow Statement

	6 months Cumulative 30/06/07 RM'000	6 months Cumulative 30/06/06 RM'000
OPERATING ACTIVITIES		
Profit before taxation	57,507	16,840
Adjustments for:		
Depreciation and amortisation	42,310	42,641
Interest expense	22,197	22,139
Share of results of associated companies	(1,899)	1,932
Gain on disposal of associated companies	(2,607)	-
Provisions for inventories, doubtful debts & others	9,195	(4,662)
Operating profit before working capital changes	<u>126,703</u>	<u>78,890</u>
Changes in working capital	(243,169)	66,300
Cash (used in)/generated from operations	<u>(116,466)</u>	<u>145,190</u>
Retirement benefits/other provision paid	(657)	(706)
Interest paid	(25,211)	(22,271)
Income tax paid	1,455	(1,477)
Net cash (used in)/from operating activities	<u>(140,879)</u>	<u>120,736</u>
INVESTING ACTIVITIES		
Dividend income	550	571
Purchase of property, plant & equipment	(9,666)	(2,069)
Proceeds from disposal of associated companies	66,544	-
Others	131	223
Net cash from/(used in) investing activities	<u>57,559</u>	<u>(1,275)</u>
FINANCING ACTIVITIES		
Term loan repayment	(3,498)	(34,558)
Short term borrowings	111,427	(90,768)
Dividends paid	(19,539)	-
Net cash from/(used in) financing activities	<u>88,390</u>	<u>(125,326)</u>
Net change in cash and cash equivalents	5,070	(5,865)
Cash & cash equivalents at beginning of period	34,571	34,049
Cash & cash equivalents at end of period	<u><u>39,641</u></u>	<u><u>28,184</u></u>
Cash & cash equivalents:		
Cash in hand and at bank	37,735	29,521
Short term deposits	28,100	12,500
Bank overdraft	(26,194)	(13,837)
	<u><u>39,641</u></u>	<u><u>28,184</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	-	(1,380)	12,152	-	10,772	71	10,843
Balance at 30.06.06	361,780	148,412	(6,147)	47,174	551,219	2,416	553,635
Balance at 01.01.07	362,029	149,202	65,959	46,953	624,143	2,563	626,706
Movements during the period	25,250	(10,801)	72,405	(23,347)	63,507	77	63,584
Dividends paid	-	-	(19,539)	-	(19,539)	-	(19,539)
Balance at 30.06.07	387,279	138,401	118,825	23,606	668,111	2,640	670,751