

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

	Individual Period		Cumulative Period	
	Current Period Quarter 30/09/07 RM'000	Preceding Year Corresponding Quarter 30/09/06 RM'000	Current Period To Date 30/09/07 RM'000	Preceding Year Corresponding Period To Date 30/09/06 RM'000
Revenue	885,051	632,720	2,122,146	1,767,466
Cost of sales	<u>(789,529)</u>	<u>(562,211)</u>	<u>(1,895,233)</u>	<u>(1,612,393)</u>
Gross profit	95,522	70,509	226,913	155,073
Other operating expenses	(33,484)	(28,181)	(95,991)	(85,843)
Other operating income	3,627	1,231	12,548	15,240
Finance cost	(10,932)	(11,710)	(33,129)	(33,849)
Share of results of associated companies	<u>91</u>	<u>(238)</u>	<u>1,990</u>	<u>(2,170)</u>
Profit before taxation	54,824	31,611	112,331	48,451
Taxation	(4,747)	25,114	(573)	20,497
Profit for the period	<u>50,077</u>	<u>56,725</u>	<u>111,758</u>	<u>68,948</u>
Attributable to:				
Equity holders of the parent	50,104	56,405	111,708	68,557
Minority interests	(27)	320	50	391
Profit for the period	<u>50,077</u>	<u>56,725</u>	<u>111,758</u>	<u>68,948</u>
Earnings per share (SEN)				
- Basic and fully diluted	<u>11.9</u>	<u>13.4</u>	<u>26.6</u>	<u>16.3</u>

Southern Steel Berhad  
 Unaudited Condensed Consolidated Balance Sheets

	As At End of Current Quarter 30/09/07  RM'000	As At Preceding Financial Year Ended 31/12/06 (Restated) RM'000
<b>NET ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	749,153	781,462
Prepaid lease payment	88,762	90,338
Goodwill on consolidation	48,991	48,991
Investments in associates	14,518	13,076
Other investments	860	860
	902,284	934,727
<b>Current Assets</b>		
Inventories	647,820	584,771
Receivables	284,007	181,286
Bank and cash balances	26,420	64,748
	958,247	830,805
<b>Non-Current Assets Classified as Held for Sale</b>	-	63,941
	<u>958,247</u>	<u>894,746</u>
<b>Current Liabilities</b>		
Payables	222,221	229,121
Short term borrowings	675,895	687,563
Current income tax liabilities	256	301
	898,372	916,985
<b>Net Current Assets / (Liabilities)</b>	<u>59,875</u>	<u>(22,239)</u>
<b>Non-Current Liabilities</b>		
Borrowings	131,150	179,163
ICULS (liability component)	1,303	1,833
Deferred tax liabilities	83,918	81,111
Other deferred liabilities	24,960	23,675
	241,331	285,782
<b>Total Net Assets</b>	<u>720,828</u>	<u>626,706</u>
<b>EQUITY</b>		
Share capital	387,279	362,029
Reserves	307,331	215,161
ICULS (equity component)	23,605	46,953
<b>Equity attributable to equity holders of the company</b>	718,215	624,143
Minority interest	2,613	2,563
<b>Total Equity</b>	<u>720,828</u>	<u>626,706</u>

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

Current Period To Date 30/09/07 RM'000	Preceding Year Corresponding Period To Date 30/09/06 RM'000
--	---

**OPERATING ACTIVITIES**

Profit before taxation	112,331	48,451
Adjustments for:		
Depreciation and amortisation	63,086	63,822
Interest expense	33,129	33,849
Share of results of associated companies	(1,990)	2,170
Gain on disposal of associated companies	(2,607)	-
Provisions for inventories, doubtful debts & others	16,865	4,148

Operating profit before working capital changes	<u>220,814</u>	<u>152,440</u>
Changes in working capital	(193,875)	(22,225)

Cash generated from operations	<u>26,939</u>	<u>130,215</u>
Retirement benefits/other provision paid	(1,038)	(735)
Interest paid	(35,359)	(29,021)
Income tax paid	2,755	(2,112)

Net cash (used in)/from operating activities	<u>(6,703)</u>	<u>98,347</u>
--	----------------	---------------

**INVESTING ACTIVITIES**

Dividend income	550	571
Purchase of property, plant & equipment	(29,350)	(8,244)
Proceeds from disposal of associated companies	66,544	-
Others	395	300

Net cash from/(used in) investing activities	<u>38,139</u>	<u>(7,373)</u>
--	---------------	----------------

**FINANCING ACTIVITIES**

Term loan repayment	(41,507)	(38,245)
Short term borrowings	(3,032)	(64,751)
Dividends paid	(19,539)	-

Net cash used in financing activities	<u>(64,078)</u>	<u>(102,996)</u>
---------------------------------------	-----------------	------------------

Net change in cash and cash equivalents	(32,642)	(12,022)
Cash & cash equivalents at beginning of period	34,571	34,049

Cash & cash equivalents at end of period	<u><u>1,929</u></u>	<u><u>22,027</u></u>
--	---------------------	----------------------

**Cash & cash equivalents:**

Cash in hand and at bank	23,157	43,028
Short term deposits	3,263	3,820
Bank overdraft	(24,491)	(24,821)

	<u><u>1,929</u></u>	<u><u>22,027</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	200	(4,196)	71,929	(164)	67,769	392	68,161
Balance at 30.09.06	<u>361,980</u>	<u>145,596</u>	<u>53,630</u>	<u>47,010</u>	<u>608,216</u>	<u>2,737</u>	<u>610,953</u>
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)	122,510	(23,348)	113,611	50	113,661
Dividends paid	-	-	(19,539)	-	(19,539)	-	(19,539)
Balance at 30.09.07	<u>387,279</u>	<u>138,401</u>	<u>168,930</u>	<u>23,605</u>	<u>718,215</u>	<u>2,613</u>	<u>720,828</u>