

Southern Steel Berhad
Unaudited Condensed Consolidated Income Statements

	Individual Period		Cumulative Period	
	Current Year Quarter 31/12/07 RM'000	Preceding Year Corresponding Quarter 31/12/06 RM'000	Current Year To Date 31/12/07 RM'000	Preceding Year Corresponding Period To Date 31/12/06 RM'000
Revenue	688,896	585,818	2,811,042	2,353,284
Cost of sales	<u>(590,743)</u>	<u>(546,997)</u>	<u>(2,485,976)</u>	<u>(2,159,390)</u>
Gross profit	98,153	38,821	325,066	193,894
Other operating expenses	(32,836)	(29,666)	(128,827)	(115,509)
Other operating income	13,702	20,010	26,250	35,250
Finance cost	(9,828)	(11,891)	(42,957)	(45,740)
Share of results of associated companies	<u>2,829</u>	<u>407</u>	<u>4,819</u>	<u>(1,763)</u>
Profit before taxation	72,020	17,681	184,351	66,132
Taxation	(2,786)	(1,674)	(3,359)	18,823
Profit for the period	<u>69,234</u>	<u>16,007</u>	<u>180,992</u>	<u>84,955</u>
Attributable to:				
Equity holders of the parent	69,181	16,149	180,889	84,706
Minority interests	53	(142)	103	249
Profit for the period	<u>69,234</u>	<u>16,007</u>	<u>180,992</u>	<u>84,955</u>
Earnings per share (SEN)				
- Basic and fully diluted	<u>16.5</u>	<u>3.9</u>	<u>43.1</u>	<u>20.2</u>

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Unaudited Condensed Consolidated Balance Sheets

	As At End of Current Quarter 31/12/07 RM'000	As At Preceding Financial Year Ended 31/12/06 RM'000
NET ASSETS		
Non-Current Assets		
Property, plant & equipment	696,969	736,706
Prepaid lease payment	65,443	66,939
Goodwill on consolidation	48,991	48,991
Investments in associates	16,251	13,076
Other investments	860	860
	828,514	866,572
Current Assets		
Inventories	675,830	584,771
Receivables	260,310	181,286
Bank and cash balances	62,662	64,748
	998,802	830,805
Non-Current Assets Classified as Held for Sale	-	63,941
	998,802	894,746
Current Liabilities		
Payables	212,628	229,121
Short term borrowings	701,189	687,563
Current income tax liabilities	3,836	301
Dividend payable	20,214	-
	937,867	916,985
Net Current Assets / (Liabilities)	60,935	(22,239)
Non-Current Liabilities		
Borrowings	90,915	179,163
ICULS (liability component)	-	1,833
Deferred tax liabilities	66,433	65,189
Other deferred liabilities	23,697	23,675
	181,045	269,860
Total Net Assets	708,404	574,473
EQUITY		
Share capital	398,959	362,029
Reserves	294,851	163,482
ICULS (equity component)	12,482	46,953
Equity attributable to equity holders of the company	706,292	572,464
Minority interest	2,112	2,009
Total Equity	708,404	574,473

Southern Steel Berhad
Unaudited Condensed Consolidated Cash Flow Statement

	Current Period To Date 31/12/07 RM'000	Preceding Year Corresponding Period To Date 31/12/06 RM'000
OPERATING ACTIVITIES		
Profit before taxation	184,351	66,132
Adjustments for:		
Depreciation and amortisation	79,862	82,294
Interest expense	42,957	45,740
Share of results of associated companies	(4,819)	1,763
Gain on disposal of associated companies	(2,471)	-
Provisions for inventories, doubtful debts & others	16,544	(3,616)
Operating profit before working capital changes	<u>316,424</u>	<u>192,313</u>
Changes in working capital	(201,304)	(29,943)
Cash generated from operations	<u>115,120</u>	<u>162,370</u>
Retirement benefits/other provision paid	(2,640)	(1,669)
Interest paid	(48,838)	(48,056)
Income tax paid	1,924	(1,952)
Net cash from operating activities	<u>65,566</u>	<u>110,693</u>
INVESTING ACTIVITIES		
Dividend income	1,650	587
Purchase of property, plant & equipment	(43,801)	(27,810)
Proceeds from disposal of associated companies	66,408	-
Others	602	1,794
Net cash from/(used in) investing activities	24,859	(25,429)
FINANCING ACTIVITIES		
Term loan repayment	(69,471)	(53,769)
Short term borrowings	28,410	(30,971)
Dividends paid	(29,308)	-
Net cash used in financing activities	(70,369)	(84,740)
Effects of exchange rate changes on cash and cash equivalents	<u>(60)</u>	<u>-</u>
Net change in cash and cash equivalents	19,996	524
Cash & cash equivalents at beginning of period	34,571	34,047
Cash & cash equivalents at end of period	<u>54,567</u>	<u>34,571</u>
Cash & cash equivalents:		
Cash in hand and at bank	59,662	50,218
Short term deposits	3,000	14,530
Bank overdraft	(8,095)	(30,177)
	<u>54,567</u>	<u>34,571</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 As previously reported	361,780	153,175	(21,682)	47,174	540,447	2,345	542,792
Effect on changes in accounting policy	-	(72,499)	20,632	-	(51,867)	(585)	(52,452)
As restated	361,780	80,676	(1,050)	47,174	488,580	1,760	490,340
Reclassified upon adoption Of FRS 3	-	(3,065)	3,065	-	-	-	-
Movements during the period	249	(908)	84,764	(221)	83,884	249	84,133
Balance at 31.12.06	<u>362,029</u>	<u>76,703</u>	<u>86,779</u>	<u>46,953</u>	<u>572,464</u>	<u>2,009</u>	<u>574,473</u>
Balance at 01.01.07 As previously reported	362,029	149,202	65,959	46,953	624,143	2,563	626,706
Effect on changes in accounting policy	-	(72,499)	20,820	-	(51,679)	(554)	(52,233)
As restated	362,029	76,703	86,779	46,953	572,464	2,009	574,473
Movements during the period	36,930	(10,801)	191,690	(34,471)	183,348	103	183,451
Dividends paid	-	-	(49,520)	-	(49,520)	-	(49,520)
Balance at 31.12.07	<u>398,959</u>	<u>65,902</u>	<u>228,949</u>	<u>12,482</u>	<u>706,292</u>	<u>2,112</u>	<u>708,404</u>