

Southern Steel Berhad
Unaudited Condensed Consolidated Income Statements
RM'000

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/08	Preceding Year Corresponding Quarter 30/09/07	Current Year To Date 30/09/08	Preceding Year Corresponding Period To Date 30/09/07
Revenue	918,439	885,051	2,733,979	2,122,146
Cost of sales	<u>(666,011)</u>	<u>(789,529)</u>	<u>(2,018,286)</u>	<u>(1,895,233)</u>
Gross profit	252,428	95,522	715,693	226,913
Other operating expenses	(71,715)	(33,484)	(184,897)	(95,991)
Other operating income	7,286	3,627	32,027	12,548
Loss from impairment of property, plant and equipment	-	-	(29,718)	-
Provision for diminution in value of inventories	(104,329)	-	(104,329)	-
Finance cost	(10,804)	(10,932)	(27,145)	(33,129)
Share of results of associated companies	<u>367</u>	<u>91</u>	<u>4,881</u>	<u>1,990</u>
Profit/(Loss) before taxation	73,233	54,824	406,512	112,331
Taxation	(7,867)	(4,747)	(40,680)	(573)
Profit/(Loss) for the period	<u>65,366</u>	<u>50,077</u>	<u>365,832</u>	<u>111,758</u>
Attributable to:				
Equity holders of the parent	65,697	50,104	364,536	111,708
Minority interests	(331)	(27)	1,296	50
Profit/(Loss) for the period	<u>65,366</u>	<u>50,077</u>	<u>365,832</u>	<u>111,758</u>
Earnings/(Loss) per share (SEN)				
- Basic and fully diluted	<u>15.7</u>	<u>11.9</u>	<u>86.9</u>	<u>26.6</u>

Southern Steel Berhad
Unaudited Condensed Consolidated Balance Sheets

	As At End of Current Quarter 30/09/08 RM'000	As At Preceding Financial Year Ended 31/12/07 RM'000
NET ASSETS		
Non-Current Assets		
Property, plant & equipment	651,037	696,969
Prepaid lease payment	64,143	65,443
Goodwill on consolidation	48,991	48,991
Investments in associates	20,582	16,251
Other investments	860	860
	785,613	828,514
Current Assets		
Inventories	1,335,265	675,830
Receivables	274,940	260,310
Bank and cash balances	73,511	57,219
	1,683,716	993,359
Current Liabilities		
Payables	269,595	207,185
Short term borrowings	994,018	701,189
Current income tax liabilities	47,207	3,836
Dividend payable	-	20,214
	1,310,820	932,424
Net Current Assets / (Liabilities)	372,896	60,935
Non-Current Liabilities		
Borrowings	-	90,915
Deferred tax liabilities	59,049	66,433
Other deferred liabilities	25,198	23,697
	84,247	181,045
Total Net Assets	1,074,262	708,404
EQUITY		
Share Capital	411,467	398,959
Reserves	659,387	294,851
ICULS (Equity Component)	-	12,482
Equity attributable to equity holders of the company	1,070,854	706,292
Minority Interest	3,408	2,112
Total Equity	1,074,262	708,404

Southern Steel Berhad
Unaudited Condensed Consolidated Cash Flow Statement

	Current Period To Date 30/09/08 RM'000	Preceding Year Corresponding Period To Date 30/09/07 RM'000
OPERATING ACTIVITIES		
Profit / (Loss) before taxation	406,512	112,331
Adjustments for:		
Depreciation (and amortisation)	61,216	63,086
Interest expense	27,145	33,129
Share of results of associated companies	(4,881)	(1,990)
Gain on disposal of associated companies	-	(2,607)
Loss from impairment of property, plant and equipment	29,718	-
Provision for diminution in value of inventories	104,329	-
Net unrealised foreign exchange loss/ (gain)	23,404	(6,456)
Provisions for inventories, doubtful debts & others	44,609	23,321
Operating profit before working capital changes	<u>692,052</u>	<u>220,814</u>
Changes in working capital	(749,430)	(193,875)
Cash generated from operations	<u>(57,378)</u>	<u>26,939</u>
Retirement benefits/other provision paid	(1,605)	(1,038)
Interest paid	(24,525)	(35,359)
Income tax refund/(paid)	(14,849)	2,755
Net cash flows from operating activities	<u>(98,357)</u>	<u>(6,703)</u>
INVESTING ACTIVITIES		
Dividend income	39	550
Purchase of property, plant & equipment	(46,469)	(29,350)
Proceeds from disposal of associated companies	-	66,544
Others	2,300	395
Net cash used in investing activities	(44,130)	38,139
FINANCING ACTIVITIES		
Term loan repayment	(40,812)	(41,507)
Short term borrowings	207,630	(3,032)
Dividends paid	(20,214)	(19,539)
Net cash used in financing activities	<u>146,604</u>	<u>(64,078)</u>
Net change in cash and cash equivalents	4,117	(32,642)
Cash & cash equivalents at beginning of period	49,124	34,571
Cash & cash equivalents at end of period	<u>53,241</u>	<u>1,929</u>
Cash in hand and at bank	25,161	23,157
Short term deposits	48,350	3,263
Bank overdraft	(20,270)	(24,491)
	<u>53,241</u>	<u>1,929</u>

Southern Steel Berhad
 Unaudited Condensed Consolidated Statements of Changes in Equity
 RM'000

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

	Share Capital RM'000	Reserves RM'000	Retained Profit / (Accumulated Losses) RM'000	ICULS- Equity RM'000	Minority Interest RM'000	Total Equity RM'000
Balance at 01.01.07	362,029	149,202	65,959	46,953	2,563	626,706
Movements during the period	25,250	(10,801)	122,510	(23,348)	50	113,661
Dividends paid	-	-	(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>2,613</u>	<u>720,828</u>
Balance at 01.01.08	398,959	65,902	228,949	12,482	2,112	708,404
Movements during the period	12,508	-	364,536	(12,482)	1,296	365,858
Balance at 30.09.08	<u>411,467</u>	<u>65,902</u>	<u>593,485</u>	<u>-</u>	<u>3,408</u>	<u>1,074,262</u>