

Southern Steel Berhad
Unaudited Condensed Consolidated Income Statements
RM'000

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/08	Preceding Year Corresponding Quarter 31/12/07	Current Year To Date 31/12/08	Preceding Year Corresponding Period To Date 31/12/07
Revenue	488,654	688,896	3,222,633	2,811,042
Cost of sales	<u>(485,975)</u>	<u>(590,743)</u>	<u>(2,504,261)</u>	<u>(2,485,976)</u>
Gross profit	2,679	98,153	718,372	325,066
Other operating expenses	(33,874)	(36,535)	(201,203)	(132,526)
Other operating income	-	28,202	15,710	40,750
Loss from impairment of property, plant and equipment	-	-	(30,969)	-
Diminution in value of inventories	(254,957)	-	(359,286)	-
Finance cost	(11,222)	(9,828)	(38,367)	(42,957)
Share of results of associated companies	<u>(2,600)</u>	<u>2,829</u>	<u>2,281</u>	<u>4,819</u>
Profit/(Loss) before taxation	(299,974)	82,821	106,538	195,152
Taxation	36,719	(2,786)	(3,961)	(3,359)
Profit/(Loss) for the period	<u>(263,255)</u>	<u>80,035</u>	<u>102,577</u>	<u>191,793</u>
Attributable to:				
Equity holders of the parent	(259,847)	79,982	104,689	191,690
Minority interests	(3,408)	53	(2,112)	103
Profit/(Loss) for the period	<u>(263,255)</u>	<u>80,035</u>	<u>102,577</u>	<u>191,793</u>
Earnings/(Loss) per share (SEN)				
- Basic and fully diluted	<u>(62.0)</u>	<u>19.1</u>	<u>25.0</u>	<u>45.7</u>

Southern Steel Berhad
Unaudited Condensed Consolidated Balance Sheets

	As At End of Current Quarter 31/12/08 RM'000	As At Preceding Financial Year Ended 31/12/07 RM'000
NET ASSETS		
Non-Current Assets		
Property, plant & equipment	669,728	696,969
Prepaid lease payment	64,739	65,443
Goodwill on consolidation	48,991	48,991
Investments in associates	15,799	16,251
Other investments	788	860
	800,045	828,514
Current Assets		
Inventories	877,065	675,830
Receivables	195,979	260,310
Bank and cash balances	67,407	57,219
	1,140,451	993,359
Current Liabilities		
Payables	202,143	207,185
Short term borrowings	904,270	701,189
Current income tax liabilities	326	3,836
Dividend payable	-	20,214
	1,106,739	932,424
Net Current Assets / (Liabilities)	33,712	60,935
Non-Current Liabilities		
Borrowings	-	90,915
Deferred tax liabilities	49,975	66,433
Other deferred liabilities	25,202	23,697
	75,177	181,045
Total Net Assets	758,580	708,404
EQUITY		
Share Capital	411,467	398,959
Reserves	347,113	294,851
ICULS (Equity Component)	-	12,482
Equity attributable to equity holders of the company	758,580	706,292
Minority Interest	-	2,112
Total Equity	758,580	708,404

Southern Steel Berhad
Unaudited Condensed Consolidated Cash Flow Statement

	Current Period To Date 31/12/08 RM'000	Preceding Year Corresponding Period To Date 31/12/07 RM'000
OPERATING ACTIVITIES		
Profit / (Loss) before taxation	106,538	195,152
Adjustments for:		
Depreciation (and amortisation)	81,636	79,862
Interest expense	38,367	42,957
Share of results of associated companies	(2,281)	(4,819)
Gain on disposal of associated companies	-	(2,471)
Realisation of exchange fluctuation reserve from disposal of associated companies	-	(10,801)
Loss from impairment of property, plant and equipment	30,969	-
Diminution in value of inventories	359,286	-
Net unrealised foreign exchange loss/ (gain)	23,837	(8,745)
Provisions for inventories, doubtful debts & others	30,578	24,792
Operating profit before working capital changes	<u>668,930</u>	<u>315,927</u>
Changes in working capital	(523,909)	(206,320)
Cash generated from operations	<u>145,021</u>	<u>109,607</u>
Retirement benefits/other provision paid	(1,764)	(2,640)
Interest paid	(37,991)	(48,838)
Income tax refund/(paid)	(44,829)	1,924
Net cash flows from operating activities	<u>60,437</u>	<u>60,053</u>
INVESTING ACTIVITIES		
Dividend income	1,810	1,660
Purchase of property, plant & equipment & prepaid lease	(70,063)	(43,801)
Proceeds from disposal of associated companies	-	66,408
Others	1,894	602
Net cash used in investing activities	(66,359)	24,869
FINANCING ACTIVITIES		
Term loan repayment	(95,629)	(69,471)
Short term borrowings	164,597	28,410
Dividends paid	(72,641)	(29,308)
Net cash used in financing activities	(3,673)	(70,369)
Net change in cash and cash equivalents	(9,595)	14,553
Cash & cash equivalents at beginning of period	49,124	34,571
Cash & cash equivalents at end of period	<u>39,529</u>	<u>49,124</u>
Cash in hand and at bank	56,861	54,219
Short term deposits	10,546	3,000
Bank overdraft	(27,878)	(8,095)
	<u>39,529</u>	<u>49,124</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	Total RM'000	Minority Interest RM'000	Total Equity RM'000
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>
Balance at 01.01.08	398,959	65,902	228,949	12,482	706,292	2,112	708,404
Movements during the period	12,508	-	104,689	(12,482)	104,715	(2,112)	102,603
Dividends paid	-	-	(52,427)	-	(52,427)	-	(52,427)
Balance at 31.12.08	<u>411,467</u>	<u>65,902</u>	<u>281,211</u>	<u>-</u>	<u>758,580</u>	<u>-</u>	<u>758,580</u>