

Southern Steel Berhad
Unaudited Condensed Consolidated Income Statements
RM'000

| | Individual Quarter | | Cumulative Quarter | |
|---|----------------------------------|--|----------------------------------|---|
| | Current Year Quarter 30/06/09 | Preceding Year Corresponding Quarter 30/06/08 | Current Year To Date 30/06/09 | Preceding Year Corresponding Period To Date 30/06/08 |
| Revenue | 488,396 | 977,505 | 882,001 | 1,815,540 |
| Cost of sales | <u>(477,865)</u> | <u>(670,597)</u> | <u>(915,024)</u> | <u>(1,352,275)</u> |
| Gross profit | 10,531 | 306,908 | (33,023) | 463,265 |
| Other operating expenses | (30,713) | (66,371) | (68,419) | (113,182) |
| Other operating income | 7,422 | 14,766 | 17,697 | 24,741 |
| Loss from impairment of property, plant and equipment | - | (24,763) | - | (29,718) |
| Finance cost | (4,877) | (8,162) | (12,572) | (16,341) |
| Share of results of associated companies | <u>751</u> | <u>3,254</u> | <u>973</u> | <u>4,514</u> |
| Profit/(Loss) before taxation | (16,886) | 225,632 | (95,344) | 333,279 |
| Taxation | 4,211 | (21,853) | 17,194 | (32,813) |
| Profit/(Loss) for the period | <u>(12,675)</u> | <u>203,779</u> | <u>(78,150)</u> | <u>300,466</u> |
| Attributable to: | | | | |
| Equity holders of the parent | (12,675) | 202,466 | (78,150) | 298,839 |
| Minority interests | - | 1,313 | - | 1,627 |
| Profit/(Loss) for the period | <u>(12,675)</u> | <u>203,779</u> | <u>(78,150)</u> | <u>300,466</u> |
| Earnings/(Loss) per share (SEN) | | | | |
| - Basic and fully diluted | <u>(3.0)</u> | <u>48.3</u> | <u>(18.6)</u> | <u>71.3</u> |

Southern Steel Berhad
Unaudited Condensed Consolidated Balance Sheets

| | As At End of Current Quarter 30/06/09 RM'000 | As At Preceding Financial Year Ended 31/12/08 RM'000 |
|--|--|--|
| NET ASSETS | | |
| Non-Current Assets | | |
| Property, plant & equipment | 643,477 | 669,728 |
| Prepaid lease payment | 75,080 | 64,739 |
| Goodwill on consolidation | 48,991 | 48,991 |
| Investments in associates | 16,222 | 15,799 |
| Other investments | 788 | 788 |
| | 784,558 | 800,045 |
| Current Assets | | |
| Inventories | 495,506 | 862,883 |
| Receivables | 251,646 | 195,979 |
| Bank and cash balances | 148,339 | 67,407 |
| | 895,491 | 1,126,269 |
| Current Liabilities | | |
| Payables | 278,762 | 187,961 |
| Short term borrowings | 648,634 | 904,270 |
| Current income tax liabilities | 13,351 | 326 |
| | 940,747 | 1,092,557 |
| Net Current Assets / (Liabilities) | (45,256) | 33,712 |
| Non-Current Liabilities | | |
| Deferred tax liabilities | 32,724 | 49,975 |
| Other deferred liabilities | 26,148 | 25,202 |
| | 58,872 | 75,177 |
| Total Net Assets | 680,430 | 758,580 |
| EQUITY | | |
| Share Capital | 411,467 | 411,467 |
| Reserves | 268,963 | 347,113 |
| Equity attributable to equity holders of the company | 680,430 | 758,580 |
| Minority Interest | - | - |
| Total Equity | 680,430 | 758,580 |

Southern Steel Berhad
Unaudited Condensed Consolidated Cash Flow Statement

| | Current Period To Date 30/06/09 RM'000 | Preceding Year Corresponding Period To Date 30/06/08 RM'000 |
|---|--|---|
| OPERATING ACTIVITIES | | |
| Profit / (Loss) before taxation | (95,344) | 333,279 |
| Adjustments for: | | |
| Depreciation (and amortisation) | 42,712 | 41,586 |
| Interest expense | 12,572 | 16,341 |
| Share of results of associated companies | (973) | (4,514) |
| Loss from impairment of property, plant and equipment | - | 29,718 |
| Net unrealised foreign exchange loss/ (gain) | 5,114 | (1,951) |
| Provisions for inventories, doubtful debts & others | (18,872) | 34,038 |
| Operating profit before working capital changes | <u>(54,791)</u> | <u>448,497</u> |
| Changes in working capital | 460,364 | (373,391) |
| Cash generated from operations | <u>405,573</u> | <u>75,106</u> |
| Retirement benefits/other provision paid | (1,032) | (1,262) |
| Interest paid | (13,504) | (15,485) |
| Income tax refund/(paid) | 327 | (2,689) |
| Net cash flows from operating activities | <u>391,364</u> | <u>55,670</u> |
| INVESTING ACTIVITIES | | |
| Dividend income | 571 | 21 |
| Purchase of property, plant & equipment & prepaid lease | (50,367) | (25,466) |
| Others | 265 | 950 |
| Net cash used in investing activities | (49,531) | (24,495) |
| FINANCING ACTIVITIES | | |
| Term loan repayment | - | (50,395) |
| Short term borrowings | (247,764) | 76,624 |
| Dividends paid | - | (20,214) |
| Net cash used in financing activities | (247,764) | 6,015 |
| Net change in cash and cash equivalents | 94,069 | 37,190 |
| Cash & cash equivalents at beginning of period | 39,529 | 49,124 |
| Cash & cash equivalents at end of period | <u>133,598</u> | <u>86,314</u> |
| Cash in hand and at bank | 57,011 | 56,866 |
| Short term deposits | 91,328 | 58,324 |
| Bank overdraft | (14,741) | (28,876) |
| | <u>133,598</u> | <u>86,314</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 01.01.08 | 398,959 | 65,902 | 228,949 | 12,482 | 706,292 | 2,112 | 708,404 |
| Movements during the period | 992 | - | 298,839 | (967) | 298,864 | 1,627 | 300,491 |
| Balance at 30.06.08 | <u>399,951</u> | <u>65,902</u> | <u>527,788</u> | <u>11,515</u> | <u>1,005,156</u> | <u>3,739</u> | <u>1,008,895</u> |
| Balance at 01.01.09 | 411,467 | 65,902 | 281,211 | - | 758,580 | - | 758,580 |
| Movements during the period | - | - | (78,150) | - | (78,150) | - | (78,150) |
| Balance at 30.06.09 | <u>411,467</u> | <u>65,902</u> | <u>203,061</u> | <u>-</u> | <u>680,430</u> | <u>-</u> | <u>680,430</u> |