

Southern Steel Berhad
 Unaudited Condensed Consolidated Statements of Comprehensive Income
 RM'000

| | Individual Quarter | | Cumulative Quarter | |
|---|-----------------------------|--|--|--|
| | Current Quarter 31/12/10 | Preceding Year Corresponding Quarter 31/12/09 | Current 12 months Period To Date 31/12/10 | Preceding Year Corresponding 12 months Period To Date 31/12/09 |
| Revenue | 710,344 | 578,456 | 2,642,969 | 2,022,337 |
| Cost of sales | <u>(671,826)</u> | <u>(494,779)</u> | <u>(2,401,878)</u> | <u>(1,899,086)</u> |
| Gross profit | 38,518 | 83,677 | 241,091 | 123,251 |
| Other operating expenses | (31,572) | (29,945) | (131,500) | (122,641) |
| Other operating income | 4,967 | 14,476 | 20,298 | 28,549 |
| Fair Value (Loss)/ Gain on other investment and forward Contract | 402 | - | 1,177 | - |
| Finance cost | (6,827) | (5,173) | (23,957) | (22,303) |
| Share of results of associated companies | <u>(48)</u> | <u>273</u> | <u>1,250</u> | <u>1,968</u> |
| Profit/(Loss) before taxation | 5,440 | 63,308 | 108,359 | 8,824 |
| Taxation | 17,392 | (2,594) | 7,309 | 8,359 |
| Profit/(Loss) for the period | <u>22,832</u> | <u>60,714</u> | <u>115,668</u> | <u>17,183</u> |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | <u><u>22,832</u></u> | <u><u>60,714</u></u> | <u><u>115,668</u></u> | <u><u>17,183</u></u> |
| Profit and Total Comprehensive Income Attributable to: | | | | |
| Equity holders of the parent | 22,832 | 60,714 | 115,668 | 17,183 |
| Minority interests | - | - | - | - |
| Profit/(Loss) for the period | <u><u>22,832</u></u> | <u><u>60,714</u></u> | <u><u>115,668</u></u> | <u><u>17,183</u></u> |
| Earnings/(Loss) per share (SEN) - Basic and fully diluted | <u><u>5.4</u></u> | <u><u>14.5</u></u> | <u><u>27.6</u></u> | <u><u>4.1</u></u> |

Southern Steel Berhad
Unaudited Condensed Consolidated Statement of Financial Position

| | As At End of Current Quarter 31/12/10 | As At Preceding Financial Year Ended 31/12/09 |
|--|--|--|
| NET ASSETS | | |
| Non-Current Assets | | |
| Property, plant & equipment | 689,256 | 719,953 |
| Goodwill on consolidation | 48,991 | 48,991 |
| Investments in associates | 17,666 | 16,967 |
| Other investments | 2,588 | 788 |
| | 758,501 | 786,699 |
| Current Assets | | |
| Inventories | 844,160 | 694,177 |
| Receivables | 254,011 | 236,348 |
| Derivative financial instruments | 153 | - |
| Bank and cash balances | 70,534 | 34,375 |
| | 1,168,858 | 964,900 |
| Current Liabilities | | |
| Payables | 218,932 | 163,617 |
| Short term borrowings | 816,993 | 764,652 |
| Current income tax liabilities | 15,792 | 1,873 |
| | 1,051,717 | 930,142 |
| Net Current Assets | <u>117,141</u> | <u>34,758</u> |
| Non-Current Liabilities | | |
| Deferred tax liabilities | 16,499 | 40,503 |
| Other deferred liabilities | 28,383 | 26,161 |
| | 44,882 | 66,664 |
| Total Net Assets | <u><u>830,760</u></u> | <u><u>754,793</u></u> |
| EQUITY | | |
| Share Capital | 411,467 | 411,467 |
| Reserves | 419,293 | 343,326 |
| Equity attributable to equity holders of the company | 830,760 | 754,793 |
| Minority Interest | - | - |
| Total Equity | <u><u>830,760</u></u> | <u><u>754,793</u></u> |

Southern Steel Berhad
Unaudited Condensed Consolidated Statement of Cash Flow

| | Current 12 months Period To Date 31/12/10 | Preceding Year Corresponding 12 months Period To Date 31/12/09 |
|---|--|--|
| OPERATING ACTIVITIES | | |
| Profit / (Loss) before taxation | 108,359 | 8,824 |
| Adjustments for: | | |
| Depreciation (and amortisation) | 88,667 | 85,527 |
| Interest expense | 23,957 | 22,303 |
| Share of results of associated companies | (1,250) | (1,968) |
| Provision for diminution in value of inventories | 7,946 | 1,190 |
| Net unrealised foreign exchange (gain)/ loss | (8,648) | 6,769 |
| Provisions for inventories, doubtful debts & others | (10,745) | (4,961) |
| Operating profit before working capital changes | 208,286 | 117,684 |
| Changes in working capital | (121,159) | 132,826 |
| Cash generated from operations | 87,127 | 250,510 |
| Retirement benefits/other provision paid | (1,211) | (1,944) |
| Interest paid | (24,066) | (22,375) |
| Income tax refund/ (paid) | 9,880 | (5,434) |
| Net cash flows from operating activities | 71,730 | 220,757 |
| INVESTING ACTIVITIES | | |
| Dividend income | 602 | 985 |
| Purchase of property, plant & equipment | (57,033) | (87,992) |
| Others | 2,738 | 715 |
| Net cash used in investing activities | (53,693) | (86,292) |
| FINANCING ACTIVITIES | | |
| Short term borrowings | 49,288 | (127,761) |
| Dividends paid | (41,942) | (20,970) |
| Net cash used in financing activities | 7,346 | (148,731) |
| Net change in cash and cash equivalents | 25,383 | (14,266) |
| Cash & cash equivalents at beginning of period | 25,265 | 39,529 |
| Cash & cash equivalents at end of period | 50,648 | 25,263 |
| Cash in hand and at bank | 35,378 | 16,278 |
| Short term deposits | 35,156 | 18,097 |
| Bank overdraft | (19,886) | (9,112) |
| | 50,648 | 25,263 |

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

| | <----- Attributable to Equity Holders of SSB -----> | | | | Minority Interest RM'000 | Total Equity RM'000 |
|-----------------------------------|---|---------------|-----------------|-----------------|--------------------------------|---------------------------|
| | Share Capital | Reserves | Retained Profit | Total RM'000 | | |
| Balance at 01.01.09 | 411,467 | 65,902 | 281,211 | 758,580 | - | 758,580 |
| Movements during the period | - | - | 17,183 | 17,183 | - | 17,183 |
| Dividends paid | - | - | (20,970) | (20,970) | - | (20,970) |
| Balance at 31.12.09 | <u>411,467</u> | <u>65,902</u> | <u>277,424</u> | <u>754,793</u> | - | <u>754,793</u> |
| Balance at 01.01.10 | 411,467 | 65,902 | 277,424 | 754,793 | - | 754,793 |
| Effect of adopting FRS 139 | - | - | 2,241 | 2,241 | - | 2,241 |
| Balance at 01.01.10 (As restated) | <u>411,467</u> | <u>65,902</u> | <u>279,665</u> | <u>757,034</u> | - | <u>757,034</u> |
| Movements during the period | - | - | 115,668 | 115,668 | - | 115,668 |
| Dividends paid | - | - | (41,942) | (41,942) | - | (41,942) |
| Balance at 31.12.10 | <u>411,467</u> | <u>65,902</u> | <u>353,391</u> | <u>830,760</u> | - | <u>830,760</u> |