Quarterly rpt on consolidated results for the financial period ended 30/6/2013

SOUTHERN STEEL BERHAD

Financial Year End	30/06/2013
Quarter	4
Quarterly report for the financial period ended	30/06/2013
The figures	have not been audited

Attachments

SSB_Quarterly Results_30.06.2013.pdf
439 KB

- Default Currency
- Other Currency

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION
30/06/2013

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
	S$'000	**S$'000**	**S$'000**	**S$'000**
1 Revenue	710,779	763,057	2,822,838	3,295,166
2 Profit/(loss) before tax	20,475	32,563	44,358	15,295
3 Profit/(loss) for the period	24,558	20,430	43,180	4,671
4 Profit/(loss) attributable to ordinary equity holders of the parent	24,222	20,278	42,177	6,180
5 Basic earnings/(loss) per share (Subunit)	5.80	4.80	10.10	1.50
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	7.00	10.00

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END

7	**Net assets per share attributable to ordinary equity holders of the parent ($$)**	2.0500	2.0200

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.
Example for the subunit as follows:

Country	**Base Unit**	**Subunit**
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name	SOUTHERN STEEL BERHAD
Stock Name	SSTEEL
Date Announced	26 Aug 2013
Category	Financial Results
Reference No	SS-130821-63052

SOUTHERN STEEL BERHAD (5283-X)

Southern Steel

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2013

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2013

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Restated Preceding Year Corresponding Quarter	Current Year To-date	Restated Preceding Year Corresponding Period
	30/06/2013 RM'000	30/06/2012 RM'000	30/06/2013 RM'000	30/06/2012 RM'000
Revenue	710,779	763,057	2,822,838	3,295,166
Cost of sales	(652,088)	(697,804)	(2,622,190)	(3,132,771)
Gross profit	58,691	65,253	200,648	162,395
Operating expenses	(42,100)	(41,761)	(140,067)	(146,902)
Other operating income	14,127	16,008	23,247	32,643
Profit from operation	30,718	39,500	83,828	48,136
Finance costs	(6,797)	(7,102)	(27,506)	(32,920)
Share of (loss)/profit of associates	(3,446)	165	(11,964)	79
Profit before taxation	20,475	32,563	44,358	15,295
Taxation	4,083	(12,133)	(1,178)	(10,624)
Profit for the period	24,558	20,430	43,180	4,671
Attributable to:				
Owners of the company	24,222	20,278	42,177	6,180
Non-controlling interests	336	152	1,003	(1,509)
Profit for the period	24,558	20,430	43,180	4,671
Earnings per ordinary share (sen): -				
(a) Basic	5.8	4.8	10.1	1.5
(b) Fully diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2012

SOUTHERN STEEL BERHAD (5283-X)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2013

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2013

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Restated Preceding Year Corresponding Quarter	Current Year To-date	Restated Preceding Year Corresponding Period
	30/06/2013 RM'000	30/06/2012 RM'000	30/06/2013 RM'000	30/06/2012 RM'000
Profit for the period	24,558	20,430	43,180	4,671
Fair value gain/(loss) on available-for-sale financial assets	815	(5,844)	6,388	(8,795)
Foreign currency translation differences for foreign operations	(1,158)	1,398	(297)	2,005
Total comprehensive income/(expense) for the period	24,215	15,984	49,271	(2,119)
Total comprehensive income/(expense) attributable to:				
Owners of the Company	23,879	15,086	48,268	(592)
Non-controlling interests	336	898	1,003	(1,527)
Total comprehensive income/(expense) for the period	24,215	15,984	49,271	(2,119)

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2012.

SOUTHERN STEEL BERHAD (5283-X)

Southern Steel

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2013

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	As At End of Current Quarter	Restated As at End of Preceding Financial Year	As at beginning of preceding Financial Year
	30/06/2013 RM'000	30/06/2012 RM'000	01/07/2011 RM'000
ASSETS			
Property, plant and equipment	977,108	798,184	688,555
Goodwill on consolidation	30,256	48,991	48,991
Investment in associates	79,325	17,847	17,768
Other investments	1,294	31,510	2,771
Deferred tax assets	10,944	13,909	10,331
Tax credit receivables	17,015	18,044	22,136
Total non-current assets	1,115,942	928,485	790,552
Inventories	753,946	703,732	1,040,568
Trade and other receivables	231,779	231,408	252,348
Current tax assets	11,672	11,031	14,169
Derivative financial assets	224	-	199
Deposits, cash and bank balances	86,840	66,490	199,401
Total current assets	1,084,461	1,012,661	1,506,685
TOTAL ASSETS	2,220,403	1,941,146	2,297,237
EQUITY			
Share capital	411,467	411,467	411,467
Reserves	449,892	436,450	478,984
Total equity attributable to owners of the Company	861,359	847,917	890,451
Non-controlling interests	5,502	(1,527)	-
TOTAL EQUITY	866,861	846,390	890,451
LIABILITIES			
Borrowing	228,124	24,619	-
Retirement benefits	23,993	29,543	28,174
Deferred tax liabilities	22,837	19,019	28,255
Deferred income	19,087	20,611	22,136
Total non-current liabilities	294,041	93,792	78,565
Retirement benefits	405	725	772
Trade and other payables	231,992	272,311	294,574
Borrowings	806,986	727,850	1,032,870
Current tax liabilities	-	-	5
Derivative financial liabilities	118	78	-
Total current liabilities	1,039,501	1,000,964	1,328,221
TOTAL LIABILITIES	1,333,542	1,094,756	1,406,786
TOTAL EQUITY AND LIABILITIES	2,200,403	1,941,146	2,297,237
Net assets per share attributable to owners of the Company (RM)	2.05	2.02	2.12

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2012.

SOUTHERN STEEL BERHAD (5283-X)

Southern Steel

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2013
The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2013

	← Attributable to owners of the Company →									
	← Non-distributable →						Distributable			
	Share capital	Share premium	Merger reserve	Capital redemption reserve	Fair value reserve	Exchange fluctuation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year-to-date ended 30 June 2013										
At 1 July 2012, as previously reported	411,467	35,852	30,000	50	(5,556)	2,005	370,490	844,308	(1,527)	842,781
Effect of adoption of MFRS 1	-	-	-	-	-	-	3,609	3,609	-	3,609
At 1 July 2012, as restated	411,467	35,852	30,000	50	(5,556)	2,005	374,099	847,917	(1,527)	846,390
Other comprehensive income/(expense)										
- fair value gain on available-for-sale financial assets	-	-	-	-	6,388	-	-	6,388	-	6,388
- foreign currency translation differences for foreign operations	-	-	-	-	-	(297)	-	(297)	-	(297)
Profit for the period	-	-	-	-	-	-	42,177	42,177	1,003	43,180
Total comprehensive income/(expense) for the period	-	-	-	-	6,388	(297)	42,177	48,268	1,003	49,271
Change in equity in a subsidiary	-	-	-	-	-	-	(5,467)	(5,467)	6,026	559
Dividends	-	-	-	-	-	-	(29,359)	(29,359)	-	(29,359)
At 30 June 2013	411,467	35,852	30,000	50	832	1,708	381,450	861,359	5,502	866,861

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2013 (CONTINUED)

	← Attributable to owners of the Company →									
	← Non-distributable →						Distributable			
	Share capital	Share premium	Merger reserve	Capital redemption reserve	Fair value reserve	Exchange fluctuation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Preceding year corresponding period ended 30 June 2012										
At 1 July 2011, as previously reported	411,467	35,852	30,000	50	3,221	-	403,685	884,275	-	884,275
Effect of adoption of MFRS 1	-	-	-	-	-	-	6,176	6,176	-	6,176
At 1 July 2011, as restated	411,467	35,852	30,000	50	3,221	-	409,861	890,451	-	890,451
Other comprehensive (expense)/income										
- fair value loss on available-for-sale financial assets	-	-	-	-	(8,777)	-		(8,777)	(18)	(8,795)
- foreign currency translation differences for foreign operations	-	-	-	-	-	2,005		2,005	-	2,005
Profit for the period	-	-	-	-	-	-	6,180	6,180	(1,509)	4,671
Total comprehensive (expense)/income for the period	-	-	-	-	(8,777)	2,005	6,180	(592)	(1,527)	(2,119)
Dividends	-	-	-	-	-	-	(41,942)	(41,942)	-	(41,942)
At 30 June 2012, as restated	411,467	35,852	30,000	50	(5,556)	2,005	374,099	847,917	(1,527)	846,390

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for theFinancial Year Ended 30 June 2012.

SOUTHERN STEEL BERHAD (5283-X)

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2013

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2013

	Current Year To-date	Restated Preceding Year Corresponding Period
	30/06/2013 RM'000	30/06/2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	44,358	15,295
Adjustments for:-		
Depreciation and amortisation	75,859	84,502
Net financing cost	27,506	32,920
Share of results of associated companies	11,964	(79)
Other non-cash items	(7,116)	(634)
Operating profit before changes in working capital	152,571	132,004
Changes in working capital		
Net change in current assets	(112,560)	357,776
Net change in current liabilities	(28,835)	(19,626)
Retirement benefits paid	(1,273)	(1,856)
Interest paid	(40,570)	(33,138)
Taxation paid	(5,673)	(16,214)
Net cash (used in)/generated from operating activities	(36,340)	418,946
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(287,515)	(197,035)
Acquisition of other investments	-	(36,288)
Proceeds from disposal of property, plant and equipment	33	95
Proceeds from disposal of available-for-sale financial assets	38,375	-
Investment in associates	(361)	-
Net cash inflow from disposal of subsidiaries	7,780	-
Interest received	563	755
Dividend received	1,069	971
Net cash used in investing activities	(240,056)	(231,502)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown/(repayment) of borrowings	331,817	(280,561)
Proceed from issue of share to non-controlling interests of a subsidiary	560	-
Dividends paid to owners of the Company	(29,359)	(41,942)
Net cash generated from/(used in) financing activities	303,018	(322,503)
NET CHANGE IN CASH AND CASH EQUIVALENTS	26,622	(135,059)
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	57,901	190,973
EFFECT ON FOREIGN EXCHANGE	(296)	1,987
CASH & CASH EQUIVALENTS AT END OF PERIOD	84,227	57,901

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2013

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2013 (CONTINUED)

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following statements of financial position amounts:

	30/06/2013 RM'000	30/06/2012 RM'000
Deposits, cash and bank balances	86,840	66,490
Bank overdraft	(2,613)	(8,589)
	84,227	57,901

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2012.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2013

The figures have not been audited

1. **Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" and the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2012. This interim financial report also complies with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board.

The accounting policies and presentation adopted for this interim report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2012 except for the changes in accounting policies and presentation resulting from the following transitional exemption arising from the adoption of MRFS:

(a) Property, plant and equipment

The Group measured its property, plant and equipment ("PPE") at cost, less any accumulated depreciation and any accumulated impairment losses. However, one of the subsidiaries measured its property at valuation, which basis of valuation is adjusted at Group level to cost basis in line with the Group policy. Upon transition to MFRS, the Group has elected to apply the optional exemption for this subsidiary so that the entire Group has the uniform accounting policy of stating the PPE at cost. At the date of transition to MFRS, PPE stated at revalued amount in the aforesaid subsidiary was regarded as deemed cost and the relevant revaluation surplus was recognised to the retained earnings.

(b) Income tax

Previously, unutilised reinvestment allowance ("RA") was not recognised as deferred tax assets ("DTA"). Upon transition to MFRS, the Group regarded the RA as analogous to a government grant, and hence the accounting treatment of IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" is being adopted. As at the date of transition, the unutilised RA was recognised as tax credit receivables and deferred income accordingly.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2013

The figures have not been audited

1. **Basis of preparation (Continued)**

The reconciliation of financial statements for comparative periods and of financial statements at the date of transition under MFRS are provided below:

Condensed Consolidated Statements of Comprehensive Income

Reconciliation for the affected financial caption reported for the preceding year comparative quarter ended 30 June 2012

	As previously reported preceding year corresponding quarter 30/06/2012 RM'000	Effect of adoption of MFRS RM'000 Note 1(a)	RM'000 Note 1(b)	As restated preceding year corresponding quarter 30/06/2012 RM'000
Other operating income	15,627	-	381	16,008
Profit before taxation	32,182	-	381	32,563
Taxation	(8,653)	-	(3,480)	(12,133)
Profit for the period	23,529	-	(3,099)	20,430

Reconciliation of the affected financial caption reported for the preceding year comparative period ended 30 June 2012

	As previously reported preceding year corresponding period 30/06/2012 RM'000	Effect of adoption of MFRS RM'000 Note 1(a)	RM'000 Note 1(b)	As restated preceding year corresponding period 30/06/2012 RM'000
Other operating income	31,119	-	1,524	32,643
Profit before taxation	13,771	-	1,524	15,295
Taxation	(6,533)	-	(4,091)	(10,624)
Profit for the period	7,238	-	(2,567)	4,671

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2013

The figures have not been audited

Condensed Consolidated Statements of Changes in Equity

Reconciliation of the affected financial caption reported as at 30 June 2012

	As previously reported preceding year corresponding period 30/06/2012 RM'000	Effect of adoption of MFRS RM'000 Note 1(a)	RM'000 Note 1(b)	As restated preceding year corresponding period 30/06/2012 RM'000
Retained earnings	370,490	6,176	(2,567)	374,099

2. **Qualification of audit report of the preceding annual financial statements**

The audit report for the preceding annual financial statements was not qualified.

3. **Seasonality or cyclicality of interim operations**

The business operations of the Group are affected by both cyclical factors in the construction industry as well as festive seasons.

4. **Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence**

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the quarter under review and financial year-to-date.

5. **Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years**

There were no changes in estimates of amounts reported in the prior financial years.

6. **Issuances, cancellations, repurchases, resale and repayments of debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities during the quarter under review and financial year-to-date.

7. **Dividend paid**

The Company has paid the following dividends during the current financial year-to-date:-

	Current year-to-date RM'000
First interim dividend of 2.0 sen per share tax exempt, paid on 18 December 2012	8,388
Second interim dividend of 5.0 sen per share tax exempt, paid on 29 May 2013	20,971
	29,359

8. **Operating Segments**

The Group's segmental report for the financial year-to-date is as follows: -

	Steel products RM'000	Investment holding and others RM'000	Total RM'000
Segment profit	53,331	2,991	56,322
Included in the measure of segment profit are:			
Revenue from external customers	2,821,770	1,068	2,822,838
Depreciation and amortisation	(75,835)	(24)	(75,859)
Finance cost	(27,506)	-	(27,506)

Reconciliation of reportable segment profit

	RM'000
Reportable segment	56,322
Share of loss of associates	(11,964)
Consolidated profit before taxation	44,358

9. **Material events not reflected in the financial statements**

There are no material subsequent events to be disclosed as at the date of this report.

10. **Changes in the composition of the Group**

There were no changes in the composition of the Group during the quarter under review, including business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations other than as mentioned below:

i) The following wholly-owned subsidiaries have been placed under members' voluntary liquidation:-

(a) Terus Staples Sdn Bhd (formerly known as Trend Staples Industry Sdn Bhd); and
(b) Centimeter Wire Sdn Bhd (formerly known as Southern Coated Wire Sdn Bhd)

The liquidations are currently pending tax clearance from the Inland Revenue Board.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2013

The figures have not been audited

11. **Review of performance**

For the quarter under review, the Group's revenue reduced from RM763.1 million in the corresponding quarter of the preceding financial year to RM710.8 million, attributed mainly to lower selling prices. Profit before taxation ("PBT") was lower at RM20.5 million for the quarter under review as compared with RM32.6 million in the corresponding quarter of last year as a result of lower margin and higher share of losses from associated companies.

For the financial year-to-date, revenue of the Group decreased to RM2.8 billion from RM3.3 billion in the previous financial year as the portion of revenue attributable to a former subsidiary, Southern Wire Industries (Malaysia) Sdn Bhd (now known as Bekaert Southern Wire Sdn Bhd), had been excluded after merging into the new associate Bekaert Southern Wire group of companies. The Group recorded a PBT of RM44.4 million as compared with RM15.3 million recorded in the previous financial year, with a stronger performance registered in the 2nd half of the financial year ended 30 June 2013.

12. **Material changes in profit before taxation against the immediate preceding quarter**

The Group's revenue and PBT for the quarter under review were RM710.8 million and RM20.5 million respectively, as compared with the preceding quarter's revenue of RM725.0 million and PBT of RM25.3 million. The lower revenue and profit were mainly due to lower sales volume and margin towards the end of the quarter.

13. **Prospects**

The increasing surplus of the Chinese steel industry and their dumping into this region will continue to weigh down on the prices and margins of the world steel industry. Until the Chinese government hasten its plan to cut down excess steel capacity, a major and sustained improvement in prices and margins is unlikely. However, as had occurred in the United States, European Union and certain ASEAN countries, Malaysia had taken steps to impose trade measures against unfair trade practices by Chinese exporters. When such measures become effective in the coming months, it will provide a major boost to the local steel companies. As such, the Board believes the performance of the Group will continue to improve in the financial year ending 30 June 2014.

14. **Profit forecast/profit guarantee**

This note is not applicable.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2013

The figures have not been audited

15. **Profit before taxation**

	Current Year Quarter 30/06/2013 RM'000	Current Year To-date 30/06/2013 RM'000
Profit before taxation is arrived at after charging/(crediting) :-		
Finance income	(209)	(563)
Gross dividend income from other investments	-	-
Depreciation and amortization	18,796	75,859
Reversal of impairment loss on trade receivables	(601)	(138)
Allowance for inventories obsolescence	4,715	5,373
Gain on disposal of subsidiaries	-	(4,221)
Impairment of properties, plant and equipment	-	-
Loss/(gain) on disposal of quoted/unquoted investments or properties	547	(1,772)
Loss on foreign exchange	649	1,426
Fair value gain on derivative instruments	(277)	(224)

16. **Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2013 RM'000	Preceding Year Corresponding Quarter 30/06/2012 RM'000 Restated	Current Year To-date 30/06/2013 RM'000	Preceding Year Corresponding Period 30/06/2012 RM'000 Restated
Current taxation (Malaysian):				
- Current year	3,416	3,134	6,843	3,882
- (Over)/under provision in prior years	(2,030)	14,738	(2,163)	15,464
	1,386	17,872	4,680	19,346
Deferred taxation:				
- Current year	(1,146)	(11,086)	(3,121)	(14,681)
- Under provision in prior years	(1,936)	1,867	(1,410)	1,868
	(3,082)	(9,219)	(4,531)	(12,813)
Utilisation of tax credit receivable arising from unutilised reinvestment allowances				
- Current year	2,731	3,480	6,148	4,091
- Over provision in prior years	(5,118)	-	(5,119)	-
	(2,387)	3,480	1,029	4,091
	(4,083)	12,133	1,178	10,624

The Group's effective tax rate for the financial year-to-date was lower than statutory tax rate mainly due to certain income not subject to tax and recognition of previously unrecognised deferred tax asset.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2013

The figures have not been audited

17. **Corporate proposals**

There are no corporate proposals announced but not completed as at the date of this report.

18. **Group's borrowings and debt securities**

Particulars of the Group's borrowings and debt securities as at 30 June 2013 are as follows: -

	RM'000
Unsecured long term borrowings	228,124
Unsecured short term borrowings	806,986
	1,035,110

There were no borrowings denominated in foreign currencies as at 30 June 2013.

19. **Changes in material litigation**

There are no material litigations as at the date of this report.

20. **Dividend**

(a) The Board does not recommend any final dividend for the financial year ended 30 June 2013 (2011/2012: Nil).

(b) For the financial year-to-date, a total dividend of 7.0 sen per share tax exempt (2011/2012 : 10.0 sen per share tax exempt) has been declared.

21. Earnings per ordinary share

(a) Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the quarter under review is calculated by dividing the Group's profit attributable to owners of the Company of RM24,219,000 (4th quarter 2011/2012 (restated) : RM20,278,000) and the weighted average number of ordinary shares during the quarter of 419,417,208 (4th quarter 2011/2012 : 419,417,208).

The calculation of basic earnings per ordinary share for the financial year-to-date is calculated by dividing the Group's profit attributable to owners of the Company of RM42,177,000 (2011/2012 (restated) : RM6,180,000) and the weighted average number of ordinary shares during the period of 419,417,208 (2011/2012 : 419,417,208).

(b) Diluted earnings per ordinary share

The Group has no dilution in its earnings per ordinary share in the quarter under review/financial year-to-date and the preceding year's corresponding quarter/period as there were no dilutive potential ordinary shares.

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The figures have not been audited

22. **Realised and unrealised profits/(losses) disclosure included in retained earnings**

The breakdown of the retained earnings of the Group into realised and unrealised profits/(losses) are as follows:-

	As At End of Current Quarter 30/06/2013 RM'000	Restated As At End of Preceding Financial Year 30/06/2012 RM'000
Total retained earnings of the Company and the subsidiaries:-		
-realised	453,027	514,049
-unrealised	(13,526)	(14,979)
	439,501	499,070
Total share of retained earnings of associates:-		
-realised	384	12,195
-unrealised		152
	384	12,347
Less: Consolidation adjustments	(58,435)	(137,408)
Group's retained earnings	381,450	374,009

By Order of the Board
Southern Steel Berhad

Joanne Leong Wei Yin
Lee Wui Kien
Company Secretaries

Kuala Lumpur
26 August 2013