QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2025

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2025

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	31/12/2025 RM'000	31/12/2024 RM'000	31/12/2025 RM'000	31/12/2024 RM'000
Revenue	546,486	-	546,486	-
Cost of sales	(494,090)	-	(494,090)	-
Gross profit	52,396	-	52,396	-
Operating expenses	(30,306)	-	(30,306)	-
Other operating expenses	(719)	-	(719)	-
Profit from operations	21,371	-	21,371	-
Interest income	586	-	586	-
Finance costs	(2,772)	-	(2,772)	-
Share of profit in associated companies, net of tax	189	-	189	-
Profit before taxation	19,374	-	19,374	-
Taxation	(3,893)	-	(3,893)	-
Profit for the period	15,481	-	15,481	-
Profit attributable to:				
Owners of the Company	15,246	-	15,246	-
Non-controlling interests	235	-	235	-
Profit for the period	15,481	-	15,481	-
Earnings per ordinary share (sen): -				
(a) Basic	1.02	-	1.02	-
(b) Fully diluted	1.02	-	1.02	-

The Group has changed its financial year end from 30 June to 30 September. Consequently, there are no comparative figures for the preceding year's corresponding periods.

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2025.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2025

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2025 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	31/12/2025 RM'000	31/12/2024 RM'000	31/12/2025 RM'000	31/12/2024 RM'000
Profit for the period	15,481	-	15,481	-
Items that will not be reclassified subsequently to profit or loss				
Loss on fair value of equity instrument at fair value through other comprehensive income	(51)	-	(51)	-
Items that are or may be reclassified subsequently to profit or loss				
Cash flow hedge	(1,006)	-	(1,006)	-
Total comprehensive income for the period	14,424	-	14,424	-
Total comprehensive income attributable to:				
Owners of the Company	14,214	-	14,214	-
Non-controlling interests	210	-	210	-
Total comprehensive income for the period	14,424	-	14,424	-

The Group has changed its financial year end from 30 June to 30 September. Consequently, there are no comparative figures for the preceding year's corresponding periods.

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2025.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2025

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	As At End of Current Quarter 31/12/2025 RM'000	As At End of Preceding Financial Year 30/09/2025 RM'000
ASSETS		
Property, plant and equipment ("PPE")	270,494	273,210
Right-of-use assets ("ROU")	401,482	405,823
Investments in associated companies	67,427	53,738
Other investments	178	229
Deferred tax assets	21,766	25,104
Tax credit receivable	253	253
Total non-current assets	761,600	758,357
Inventories	368,469	402,832
Trade and other receivables, including derivatives	152,552	171,940
Current tax assets	1,777	1,626
Cash and cash equivalents	57,908	76,491
Total current assets	580,706	652,889
TOTAL ASSETS	1,342,306	1,411,246
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	1,021,026	1,021,026
Reserves	(118,430)	(136,172)
	902,596	884,854
NON-CONTROLLING INTERESTS	29,048	6,266
TOTAL EQUITY	931,644	891,120
LIABILITIES		
Lease liabilities	-	348
Deferred tax liabilities	14,702	14,798
Deferred income	1,333	1,385
Employee benefits	19,834	19,951
Total non-current liabilities	35,869	36,482

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2025

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025 (cont'd)

	As At End of Current Quarter 31/12/2025 RM'000	As At End of Preceding Financial Year 30/09/2025 RM'000
Lease liabilities	1,365	1,349
Employee benefits	537	456
Trade and other payables, including derivatives	101,690	207,069
Contract liability	1,210	3,922
Loans and borrowings	269,826	270,845
Current tax liabilities	165	3
Total current liabilities	374,793	483,644
TOTAL LIABILITIES	410,662	520,126
TOTAL EQUITY AND LIABILITIES	1,342,306	1,411,246
Net assets per share attributable to owners of the Company (RM)	0.60	0.59

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2025.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2025

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2025

	← Attributable to owners of the Company →							
	← Non-distributable →							
	Share capital	Revaluation reserve	Merger reserve	Hedging reserve	Accumulated losses	Total	Non-controlling interests	Total equity
Current year-to-date ended 31 December 2025	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2025	1,021,026	367,582	30,000	77	(533,831)	884,854	6,266	891,120
Profit for the period	-	-	-	-	15,246	15,246	235	15,481
Other comprehensive expense:								
- Loss on fair value of equity instruments	-	-	-	-	(51)	(51)	-	(51)
- Cash flow hedge	-	-	-	(981)	-	(981)	(25)	(1,006)
Total comprehensive (expense)/income for the period	-	-	-	(981)	15,195	14,214	210	14,424
Dilution of interest in subsidiary	-	-	-	-	3,528	3,528	22,572	26,100
Total transactions with owners	-	-	-	-	3,528	3,528	22,572	26,100
At 31 December 2025	1,021,026	367,582	30,000	(904)	(515,108)	902,596	29,048	931,644

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2025

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2025

	Current Year-To-Date 31/12/2025 RM'000	Preceding Year Corresponding Period 31/12/2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	19,374	-
Adjustments for:-		
Depreciation of PPE	4,564	-
Depreciation and amortisation of ROU	4,341	-
Net financing costs	2,186	-
Share of profit in associated companies, net of tax	(189)	-
Non-cash items	245	-
Operating profit before changes in working capital	30,521	-
Changes in working capital		
Net change in current assets	53,615	-
Net change in current liabilities	(106,109)	-
Contract Liability	(2,712)	-
Taxation paid, net	(640)	-
Finance costs paid	(2,772)	-
Interest income received	586	-
Retirement benefits paid	(473)	-
Net cash used in operating activities	(27,984)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	(1,958)	-
Investments in associated company	(13,500)	-
Proceeds from dilution of interest in subsidiary	26,100	-
Proceeds from disposal of plant and equipment	110	-
Net cash generated from investing activities	10,752	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(1,019)	-
Payment of lease liabilities	(332)	-
Net cash used in financing activities	(1,351)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(18,583)	-
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	76,491	-
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	-	-
CASH & CASH EQUIVALENTS AT END OF PERIOD	57,908	-

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2025

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2025 (cont'd)

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

	31/12/2025 RM'000	31/12/2024 RM'000
Deposits, cash and bank balances	57,908	-

The Group has changed its financial year end from 30 June to 30 September. Consequently, there are no comparative figures for the preceding year's corresponding periods.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2025.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2025

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 Standard ("MFRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the financial year ended 30 September 2025. This interim financial report also complies with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 September 2025 except for the adoption of MFRS accounting standards, interpretations and amendments that are effective for the financial year beginning on or after 1 October 2025 which are applicable to the Group. The initial adoption of these applicable MFRSs, amendments and interpretations do not have any material impact on the financial statements of the Group.

Change in Financial Year End

The Board of Directors has approved a change in the Company's financial year end from 30 June to 30 September. As such, there is no corresponding comparative financial information available for the preceding year's corresponding quarter.

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 during the quarter under review were 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 issuance of shares, share buy-back, share cancellation, resale of treasury shares or repayments of debt or equity securities during the quarter under review and financial year-to-date.

7. **Dividend paid**

There was no dividend paid during the quarter under review and financial year-to-date.

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/(loss)	21,603	(232)	21,371
Included in the measure of segment profit are:			
Revenue from external customers	546,486	-	546,486
Depreciation of PPE	4,564	-	4,564
Depreciation and amortisation of ROU	4,121	220	4,341

Reconciliation of reportable segment profit/(loss)

	RM'000
Profit/(Loss)	
Reportable segment	21,371
Interest income	586
Finance costs	(2,772)
Share of profit in an associated company, net of tax	189
Consolidated profit before taxation	19,374

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 combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations, except as disclosed in the Note 18.

11. **Contingent liabilities and contingent assets**

A wholly-owned subsidiary of the Company is in dispute with the Minister of Finance on the eligibility to claim for certain tax exemption. This has resulted in an additional tax (including penalty) amounted to RM15.5 million. The Board, as advised by the solicitors, is of the view that the Company is entitled to the tax exemption.

12. **Review of performance**

The Group has changed its financial year end from 30 June to 30 September. Accordingly, there are no comparative figures for the corresponding period of the preceding financial year.

For the quarter under review, the Group recorded revenue of RM546 million and profit before tax of RM19 million. The positive results were due to lower input costs and improved production efficiencies.

13. **Material changes in loss before taxation against the immediate preceding quarter**

For the quarter under review, the Group recorded a 2.4% drop in revenue from RM560 million to RM546 million. The decrease was mainly due to lower average selling prices.

The Group recorded a PBT of RM19 million for the current quarter as compared to a LBT of RM25 million in the preceding quarter. The improvement in results were mainly attributable to higher margins and the absence of one-off items that were recognized in the preceding quarter.

14. **Prospects**

The global steel industry continues to face a difficult operating environment, characterised by weak demand, persistent structural overcapacity, and heightened geopolitical tensions that have disrupted trade flows and further pressured pricing. Domestic market conditions remain subdued and broadly in line with these global headwinds.

Against this backdrop, the Group has undertaken measures to strengthen operational discipline, including enhanced cost controls, efficiency initiatives, inventory optimization, and tighter execution across its operations. The Group will also continue to focus on the development of its downstream strategies, although the benefits of these initiatives are expected to materialise gradually and remain subject to market conditions.

Despite the uncertainties that continue to affect the sector, the Board is encouraged by the Group's progress. Improved performance from ongoing turnaround initiatives demonstrate the Group's growing resilience to navigate the challenging environment. While external conditions may still influence performance, the Group is better positioned to weather market volatility in the coming quarters.

15. **Profit forecast/profit guarantee**

This note is not applicable.

16. **Profit before taxation**

	Current Year Quarter 31/12/2025 RM'000	Current Year-To-Date 31/12/2025 RM'000
Profit before taxation is arrived at after charging/(crediting):		
Depreciation of PPE	4,564	4,564
Depreciation and amortisation of ROU	4,341	4,341
Impairment loss on trade receivables	24	24
Reversal of provision for inventories	(959)	(959)
Loss on foreign exchange	149	149
Loss on disposal of plant and equipment	343	343
Reversal of impairment loss on plant and equipment	(479)	(479)
Write-off of plant and equipment	136	136

17. **Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2025 RM'000	Preceding Year Corresponding Quarter 31/12/2024 RM'000	Current Year-To-Date 31/12/2025 RM'000	Preceding Year Corresponding Period 31/12/2024 RM'000
Current taxation				
- Current year	651	-	651	-
Deferred taxation				
- Current year	3,242	-	3,242	-
	3,893	-	3,893	-

The Group recorded a tax expense of RM3.9 million for the current quarter, mainly due to deferred tax recognised during the period, as well as current tax provided on taxable profits.

18. **Corporate proposals**

On 21 November 2025, the Group entered into a Share Sale Agreement to dispose of 1,350,000 ordinary shares, representing a 45% equity interest in its wholly-owned subsidiary, Southern PC Steel Sdn. Bhd. ("SPC"), for a total cash consideration of RM26,100,000. The disposal was completed on 5 December 2025.

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

Particulars of the Group's borrowings and debt securities as at 31 December 2025 are as follows:

	RM'000
Unsecured short-term borrowings	269,826

There were no borrowings denominated in foreign currencies as at 31 December 2025.

20. **Dividend**

The Board does not recommend any interim dividend for the quarter ended 31 December 2025.

21. **Earnings per ordinary share**

(a) Basic earnings per ordinary share

The 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 RM15,246,000 by the weighted average number of ordinary shares during the quarter of 1,501,113,290.

	Weighted average number of ordinary shares			
	Individual Quarter		**Cumulative Quarter**	
	Current Year Quarter 31/12/2025 '000	**Preceding Year Corresponding Quarter 31/12/2024 '000**	**Current Year-To-Date 31/12/2025 '000**	**Preceding Year Corresponding Period 31/12/2024 '000**
Issued ordinary shares at beginning of period	1,501,113	-	1,501,113	-
Effect of ESS Trust Shares vested	-	-	-	-
Weighted average number of ordinary shares (basic)	1,501,113	-	1,501,113	-
Basic earnings per ordinary share (sen)	1.02	-	1.02	-

(b) Diluted earnings per ordinary share

The Group's diluted earnings per ordinary share in the quarter under review is the same as the basic earnings per ordinary share since the Group does not have any anti-dilutive instrument.

22 **Derivatives**

The Group has entered into a number of forward foreign exchange contracts to hedge the cash flow risk in relation to the variations of cash flows arising from future forecasted transactions.

The forward foreign exchange contracts are stated at fair value using observable market prices in active markets, including recent market transactions and valuation techniques that include discounted cash flow models and option pricing models, as appropriate.

As at 31 December 2025, the contract amount, fair value and maturity tenor of the forward foreign exchange contracts are as follows:

	Contract amount RM'000	Fair Value Assets/ (Liabilities) RM'000
Less than 1 year	68,535	(931)

Derivatives (which are classified as financial assets/liabilities) categorised as fair value through profit or loss are subsequently measured at their fair values with the gains/losses recognised in profit or loss. Net gain/loss arising from fair value changes of derivatives is as disclosed.

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the previous financial year ended 30 September 2025.

23. **Gains/losses arising from fair value changes of financial liabilities**

Other than derivatives which are classified as financial liabilities when they are at fair value loss position, the Group does not remeasure its financial liabilities at fair value after the initial recognition.

By Order of the Board
Southern Steel Berhad

Yeow Sze Min
Low Seow Wei
Tan Rou Yiing
Company Secretaries

26 February 2026