QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 MARCH 2026

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2026

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	31/03/2026 RM'000	31/03/2025 RM'000	31/03/2026 RM'000	31/03/2025 RM'000
Revenue	486,637	-	1,033,123	-
Cost of sales	(438,119)	-	(932,209)	-
Gross profit	48,518	-	100,914	-
Operating expenses	(25,347)	-	(55,653)	-
Other operating expenses	(62)	-	(781)	-
Profit from operations	23,109	-	44,480	-
Interest income	420	-	1,006	-
Finance costs	(3,243)	-	(6,015)	-
Share of profit in associated companies, net of tax	354	-	543	-
Profit before taxation	20,640	-	40,014	-
Taxation	(2,874)	-	(6,767)	-
Profit for the period	17,766	-	33,247	-
Profit attributable to:				
Owners of the Company	17,541	-	32,787	-
Non-controlling interests	225	-	460	-
Profit for the period	17,766	-	33,247	-
Earnings per ordinary share (sen): -				
(a) Basic	1.17	-	2.18	-
(b) Fully diluted	1.17	-	2.18	-

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 SECOND QUARTER ENDED 31 MARCH 2026

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2026 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	31/03/2026 RM'000	31/03/2025 RM'000	31/03/2026 RM'000	31/03/2025 RM'000
Profit for the period	17,766	-	33,247	-
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	(5)	-	(56)	-
Items that are or may be reclassified subsequently to profit or loss				
Cash flow hedge	3,964	-	2,958	-
Total comprehensive income for the period	21,725	-	36,149	-
Total comprehensive income attributable to:				
Owners of the Company	21,471	-	35,685	-
Non-controlling interests	254	-	464	-
Total comprehensive income for the period	21,725	-	36,149	-

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 SECOND QUARTER ENDED 31 MARCH 2026

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	As At End of Current Quarter 31/03/2026 RM'000	As At End of Preceding Financial Year 30/09/2025 RM'000
ASSETS		
Property, plant and equipment ("PPE")	267,788	273,210
Right-of-use assets ("ROU")	397,135	405,823
Investments in associated companies	67,781	53,738
Other investments	173	229
Deferred tax assets	18,922	25,104
Tax credit receivable	253	253
Total non-current assets	752,052	758,357
Inventories	326,516	402,832
Trade and other receivables, including derivatives	225,397	171,940
Current tax assets	5,825	1,626
Cash and cash equivalents	143,004	76,491
Total current assets	700,742	652,889
TOTAL ASSETS	1,452,794	1,411,246
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	1,021,026	1,021,026
Reserves	(96,959)	(136,172)
	924,067	884,854
NON-CONTROLLING INTERESTS	50,677	6,266
TOTAL EQUITY	974,744	891,120
LIABILITIES		
Lease liabilities	-	348
Deferred tax liabilities	14,609	14,798
Deferred income	1,282	1,385
Employee benefits	19,647	19,951
Total non-current liabilities	35,538	36,482

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 MARCH 2026

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026 (cont'd)

	As At End of Current Quarter 31/03/2026 RM'000	As At End of Preceding Financial Year 30/09/2025 RM'000
Lease liabilities	1,030	1,349
Employee benefits	618	456
Trade and other payables, including derivatives	173,508	207,069
Contract liability	2,617	3,922
Loans and borrowings	264,556	270,845
Current tax liabilities	183	3
Total current liabilities	442,512	483,644
TOTAL LIABILITIES	478,050	520,126
TOTAL EQUITY AND LIABILITIES	1,452,794	1,411,246
Net assets per share attributable to owners of the Company (RM)	0.62	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 SECOND QUARTER ENDED 31 MARCH 2026

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2026

	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 March 2026	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	-	-	-	-	32,787	32,787	460	33,247
Other comprehensive income/(expense):								
- Loss on fair value of equity	-	-	-	-	(56)	(56)	-	(56)
- Cash flow hedge	-	-	-	2,954	-	2,954	4	2,958
Total comprehensive income for the period	-	-	-	2,954	32,731	35,685	464	36,149
Dilution of interest in subsidiary	-	-	-	-	3,528	3,528	22,572	26,100
Issuance of shares to non-controlling interests	-	-	-	-	-	-	21,375	21,375
Total transactions with owners	-	-	-	-	3,528	3,528	43,947	47,475
At 31 March 2026	1,021,026	367,582	30,000	3,031	(497,572)	924,067	50,677	974,744

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 MARCH 2026

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2026

	Current Year-To-Date 31/03/2026 RM'000	Preceding Year Corresponding Period 31/03/2025 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	40,014	-
Adjustments for:-		
Depreciation of PPE	8,587	-
Depreciation and amortisation of ROU	8,688	-
Net financing costs	5,009	-
Share of profit in associated companies, net of tax	(543)	-
Non-cash items	322	-
Operating profit before changes in working capital	62,077	-
Changes in working capital		
Net change in current assets	25,733	-
Net change in current liabilities	(33,334)	-
Contract Liability	(1,305)	-
Taxation paid, net	(4,793)	-
Finance costs paid	(6,015)	-
Interest income received	1,006	-
Retirement benefits paid	(1,016)	-
Net cash generated from operating activities	42,353	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	(3,275)	-
Investments in associated company	(13,500)	-
Proceeds from dilution of interest in subsidiary	26,100	-
Proceeds from disposal of plant and equipment	416	-
Net cash generated from investing activities	9,741	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(6,289)	-
Issuance of shares to non-controlling interests	21,375	-
Payment of lease liabilities	(667)	-
Net cash generated from financing activities	14,419	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	66,513	-
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	76,491	-
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	-	-
CASH & CASH EQUIVALENTS AT END OF PERIOD	143,004	-

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 MARCH 2026

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2026 (cont'd)

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

	31/03/2026 RM'000	31/03/2025 RM'000
Deposits, cash and bank balances	143,004	-

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 SECOND QUARTER ENDED 31 MARCH 2026

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.

The figures have not been audited

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)	44,940	(460)	44,480
Included in the measure of segment profit/(loss) are:			
Revenue from external customers	1,033,123	-	1,033,123
Depreciation of PPE	8,587	-	8,587
Depreciation and amortisation of ROU	8,249	439	8,688

Reconciliation of reportable segment profit/(loss)

	RM'000
Profit/(Loss)	
Reportable segment	44,480
Interest income	1,006
Finance costs	(6,015)
Share of profit in an associated company, net of tax	543
Consolidated profit before taxation	40,014

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. Consequently, there are no comparative figures for the corresponding period of the preceding financial year.

For the quarter under review, the Group recorded revenue of RM487 million and profit before taxation ("PBT") of RM21 million. The performance was primarily driven by enhanced production efficiency and lower input costs, resulting in better margins.

For the financial year-to-date, the Group revenue was RM1,033 million and PBT was RM40 million. Results were supported by higher sales volume and ongoing cost structures optimization across all operations.

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

For the quarter under review, the Group revenue declined by 11% from RM546 million to RM487 million, primarily due to lower sales volumes influenced by seasonal factors.

Despite the lower revenue, PBT improved to RM21 million, compared to RM19 million in the preceding quarter. The improvement in results was mainly attributable to a reduction in operating expenses and enhanced cost management.

14. **Prospects**

The steel industry remains structurally challenging, shaped by persistent overcapacity, volatile pricing dynamics and increasingly complex geopolitical landscape. Recent escalations in the Middle East conflict have amplified global energy prices and input cost inflation. The stricter enforcement of lorry weight limits in Malaysia has also recalibrated logistics cost and reduced delivery throughput. Collectively, these factors have elevated costs across the steel value chain, reinforcing the strategic importance of scale, cost efficiency and operational discipline.

Against this backdrop, Southern Steel Berhad continues to strengthen its competitive positioning by ensuring a prudent and execution-focused stance. The Group has maintained profitability over the past two quarters through disciplined cost management, productivity enhancements and tighter execution across its operations, reinforcing balance sheet resilience amid ongoing market volatility.

Looking ahead, the Board remains cautiously optimistic. Although cost pressures and competitive dynamics are expected to persist, the Group's strengthened balance sheet and ongoing strategic initiatives will position it to better manage and deliver sustained performance in the coming quarters.

15. **Profit forecast/profit guarantee**

This note is not applicable.

The figures have not been audited

16. **Profit before taxation**

	Current Year Quarter 31/03/2026 RM'000	Current Year-To-Date 31/03/2026 RM'000
Profit before taxation is arrived at after charging/(crediting):		
Depreciation of PPE	4,023	8,587
Depreciation and amortisation of ROU	4,347	8,688
Reversal of impairment loss on trade receivables	(24)	-
Provision/(Reversal of provision) for inventories	86	(873)
Gain on foreign exchange	(248)	(99)
Fair value loss on derivative instruments	22	22
(Gain)/Loss on disposal of plant and equipment	(306)	37
Reversal of impairment loss on plant and equipment	-	(479)
Write-off of plant and equipment	-	136

17. **Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/2026 RM'000	Preceding Year Corresponding Quarter 31/03/2025 RM'000	Current Year-To-Date 31/03/2026 RM'000	Preceding Year Corresponding Period 31/03/2025 RM'000
Current taxation				
- Current year	123	-	774	-
Deferred taxation				
- Current year	2,751	-	5,993	-
	2,874	-	6,767	-

The Group recorded a tax expense of RM2.9 million for the current quarter, mainly due to deferred tax utilisation 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.

On 27 March 2026, the Group executed a Heads of Agreement with Ann Joo Resources Berhad to acquire 100% equity interest in Ann Joo Steel Berhad (AJSB), comprising 612,993,535 issued ordinary shares, for a base consideration of RM1.005 billion. The proposed acquisition includes AJSB's wholly-owned subsidiary, Ann Joo Integrated Steel Sdn Bhd, but excludes its two wholly-owned dormant subsidiaries (AJSB Land Sdn Bhd and AJSB Properties Sdn Bhd) and specified excluded properties. The transaction is aligned with the Group's strategy to strengthen its position in the upstream steel manufacturing sector.

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

Particulars of the Group's borrowings and debt securities as at 31 March 2026 are as follows:

	RM'000
Unsecured short-term borrowings	264,556

There were no borrowings denominated in foreign currencies as at 31 March 2026.

20. **Dividend**

The Board does not recommend any interim dividend for the quarter ended 31 March 2026.

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 RM17,541,000 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 31/03/2026 '000	**Preceding Year Corresponding Quarter 31/03/2025 '000**	**Current Year-To-Date 31/03/2026 '000**	**Preceding Year Corresponding Period 31/03/2025 '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)	1.17	-	2.18	-

(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 March 2026, 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	154,444	3,010

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

21 May 2026