

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2026

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2026

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2026 RM'000	Preceding Year Corresponding Quarter 30/06/2025 RM'000	Current Year- To-Date 30/06/2026 RM'000	Preceding Year Corresponding Period 30/06/2025 RM'000
Revenue	588,355	-	1,621,478	-
Cost of sales	(513,764)	-	(1,445,973)	-
Gross profit	74,591	-	175,505	-
Operating expenses	(36,628)	-	(92,281)	-
Other operating expenses	(822)	-	(1,603)	-
Profit from operations	37,141	-	81,621	-
Interest income	966	-	1,972	-
Finance costs	(3,102)	-	(9,117)	-
Share of profit in associated companies, net of tax	1,323	-	1,866	-
Profit before taxation	36,328	-	76,342	-
Taxation	(3,368)	-	(10,135)	-
Profit for the period	32,960	-	66,207	-
Profit attributable to:				
Owners of the Company	32,478	-	65,265	-
Non-controlling interests	482	-	942	-
Profit for the period	32,960	-	66,207	-
Earnings per ordinary share (sen): -				
(a) Basic	2.16	-	4.35	-
(b) Fully diluted	2.16	-	4.35	-

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 THIRD QUARTER ENDED 30 JUNE 2026

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2026 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2026 RM'000	30/06/2025 RM'000	30/06/2026 RM'000	30/06/2025 RM'000
Profit for the period	32,960	-	66,207	-
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Loss on fair value of equity instrument at fair value through other comprehensive income	(36)	-	(92)	-
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Cash flow hedge	1,655	-	4,613	-
Total comprehensive income for the period	34,579	-	70,728	-
Total comprehensive income attributable to:				
Owners of the Company	34,099	-	69,784	-
Non-controlling interests	480	-	944	-
Total comprehensive income for the period	34,579	-	70,728	-

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 THIRD QUARTER ENDED 30 JUNE 2026
The figures have not been audited
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	As At End of Current Quarter 30/06/2026 RM'000	As At End of Preceding Financial Year 30/09/2025 RM'000
ASSETS		
Property, plant and equipment ("PPE")	270,771	273,210
Right-of-use assets ("ROU")	392,792	405,823
Investments in associated companies	69,104	53,738
Other investments	137	229
Deferred tax assets	15,591	25,104
Tax credit receivable	253	253
Total non-current assets	748,648	758,357
Inventories	415,477	402,832
Trade and other receivables, including derivatives	281,324	171,940
Current tax assets	9,884	1,626
Cash and cash equivalents	99,041	76,491
Total current assets	805,726	652,889
TOTAL ASSETS	1,554,374	1,411,246
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	1,021,026	1,021,026
Reserves	(62,860)	(136,172)
	958,166	884,854
NON-CONTROLLING INTERESTS	51,157	6,266
TOTAL EQUITY	1,009,323	891,120
LIABILITIES		
Lease liabilities	-	348
Deferred tax liabilities	14,515	14,798
Deferred income	1,230	1,385
Employee benefits	19,720	19,951
Total non-current liabilities	35,465	36,482

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2026
The figures have not been audited
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026 (cont'd)

	As At End of Current Quarter 30/06/2026 RM'000	As At End of Preceding Financial Year 30/09/2025 RM'000
Lease liabilities	691	1,349
Employee benefits	699	456
Trade and other payables, including derivatives	221,015	207,069
Contract liability	3,097	3,922
Loans and borrowings	283,798	270,845
Current tax liabilities	286	3
Total current liabilities	509,586	483,644
TOTAL LIABILITIES	545,051	520,126
TOTAL EQUITY AND LIABILITIES	1,554,374	1,411,246
Net assets per share attributable to owners of the Company (RM)	0.64	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 THIRD QUARTER ENDED 30 JUNE 2026**The figures have not been audited****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2026**

	Attributable to owners of the Company					Total	Non-controlling interests	Total equity
	Share capital	Non-distributable Revaluation reserve	Merger reserve	Hedging reserve	Accumulated losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year-to-date ended 30 June 2026								
At 1 October 2025	1,021,026	367,582	30,000	77	(533,831)	884,854	6,266	891,120
Profit for the period	-	-	-	-	65,265	65,265	942	66,207
Other comprehensive income/(expense):								
- Loss on fair value of equity	-	-	-	-	(92)	(92)	-	(92)
- Cash flow hedge	-	-	-	4,611	-	4,611	2	4,613
Total comprehensive income for the period	-	-	-	4,611	65,173	69,784	944	70,728
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 30 June 2026	1,021,026	367,582	30,000	4,688	(465,130)	958,166	51,157	1,009,323

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2026

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2026

	Current Year- To-Date 30/06/2026 RM'000	Preceding Year Corresponding Period 30/06/2025 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	76,342	-
Adjustments for:-		
Depreciation of PPE	12,676	-
Depreciation and amortisation of ROU	13,031	-
Net financing costs	7,145	-
Share of profit in associated companies, net of tax	(1,866)	-
Non-cash items	1,125	-
Operating profit before changes in working capital	108,453	-
Changes in working capital		
Net change in current assets	(117,692)	-
Net change in current liabilities	13,902	-
Contract Liability	(825)	-
Taxation paid, net	(8,880)	-
Finance costs paid	(9,117)	-
Interest income received	1,972	-
Retirement benefits paid	(1,299)	-
Net cash used in operating activities	(13,486)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	(10,349)	-
Investments in associated company	(13,500)	-
Proceeds from dilution of interest in subsidiary	26,100	-
Proceeds from disposal of plant and equipment	463	-
Net cash generated from investing activities	2,714	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	12,953	-
Issuance of shares to non-controlling interests	21,375	-
Payment of lease liabilities	(1,006)	-
Net cash generated from financing activities	33,322	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	22,550	-
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	76,491	-
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	-	-
CASH & CASH EQUIVALENTS AT END OF PERIOD	99,041	-

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2026**The figures have not been audited****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2026 (cont'd)**

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

	30/06/2026	30/06/2025
	RM'000	RM'000
Deposits, cash and bank balances	99,041	-

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 THIRD QUARTER ENDED 30 JUNE 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 cyclicity 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.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2026
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)	82,304	(683)	81,621
Included in the measure of segment profit/(loss) are:			
Revenue from external customers	1,621,478	-	1,621,478
Depreciation of PPE	12,676	-	12,676
Depreciation and amortisation of ROU	12,372	659	13,031
Reconciliation of reportable segment profit/(loss)			RM'000
Profit/(Loss)			
Reportable segment			81,621
Interest income			1,972
Finance costs			(9,117)
Share of profit in an associated company, net of tax			1,866
Consolidated profit before taxation			76,342

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 RM17 million. The Board, as advised by the solicitors, is of the view that the Company is entitled to the tax exemption.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2026**The figures have not been audited****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 RM588 million and profit before taxation (“PBT”) of RM36 million. The performance was primarily driven by higher sales volume, enhanced production efficiency and lower input costs, resulting in better margins.

For the financial year-to-date, the Group’s revenue was RM1,621 million and PBT was RM76 million. Results were supported by higher sales volume and optimisation of the cost structure.

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

For the quarter under review, the Group’s revenue increased from RM487 million to RM588 million, primarily due to higher sales volumes, together with a higher average selling price.

In line with the higher revenue, PBT improved to RM36 million, compared to RM21 million in the preceding quarter. The improvement in results were mainly attributable to higher sales volume and improved gross profit margin, as the higher average selling price more than offset the increase in cost of goods sold.

14. Prospects

Regional market sentiments remained subdued amid oversupply and a cautious economic outlook, while the re-escalation of geopolitical tensions in the Middle East has further disrupted global trade flows and commodity markets, contributing to volatility in energy and raw material costs. The steel market in Malaysia softened amid weaker demand and declining selling prices. All these issues have exerted pressure on industry margins.

Despite these headwinds, Southern Steel Berhad (“SSB”) remains focused on operational efficiency, cost optimisation and disciplined execution to preserve competitiveness and strengthen resilience. The Group’s sustained profitability and prudent financial management continue to support its strategic positioning, although margin pressures are expected to intensify in the coming quarters as softer selling prices and elevated input costs compress spreads across the steel value chain.

Looking ahead, while demand and selling prices are expected to remain challenging in the near term, SSB is well positioned to benefit from ongoing infrastructure projects which are expected to support steel consumption and provide growth opportunities for the Group.

15. Profit forecast/profit guarantee

This note is not applicable.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2026
The figures have not been audited
16. Profit before taxation

	Current Year Quarter 30/06/2026 RM'000	Current Year- To-Date 30/06/2026 RM'000
Profit before taxation is arrived at after charging/(crediting):		
Depreciation of PPE	4,089	12,676
Depreciation and amortisation of ROU	4,343	13,031
Reversal of provision for inventories	(455)	(1,328)
Gain on foreign exchange	(354)	(453)
Fair value loss on derivative instruments	2	24
Gain on disposal of plant and equipment	(47)	(10)
Reversal of impairment loss on plant and equipment	-	(479)
Write-off of plant and equipment	2	138

17. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2026 RM'000	Preceding Year Corresponding Quarter 30/06/2025 RM'000	Current Year- To-Date 30/06/2026 RM'000	Preceding Year Corresponding Period 30/06/2025 RM'000
Current taxation				
- Current year	12	-	786	-
- Prior year	119	-	119	-
	131	-	905	-
Deferred taxation				
- Current year	3,237	-	9,230	-
	3,237	-	9,230	-
	3,368	-	10,135	-

The Group recorded a tax expense of RM3.4 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 ("HOA") with Ann Joo Resources Berhad for the proposed acquisition of 100% equity interest in Ann Joo Steel Berhad ("AJSB"), comprising 612,993,535 issued ordinary shares, for a base consideration of RM1.005 billion.

On 22 May 2026, the Group announced the termination of the HOA entered with Ann Joo Resources Berhad in relation to the proposed acquisition of AJSB. Accordingly, the proposed acquisition has been terminated and will not proceed.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2026
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19. Group's borrowings and debt securities

Particulars of the Group's borrowings and debt securities as at 30 June 2026 are as follows:

	RM'000
Unsecured short-term borrowings	283,798

There were no borrowings denominated in foreign currencies as at 30 June 2026.

20. Dividend

The Board does not recommend any interim dividend for the quarter ended 30 June 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 RM32,478,000 by the weighted average number of ordinary shares during the quarter of 1,501,113,290.

The 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 RM65,265,000 by the weighted average number of ordinary shares during the period of 1,501,113,290.

	<i>Weighted average number of ordinary shares</i>			
	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	'000	'000	'000	'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)	2.16	-	4.35	-

(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.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2026

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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 30 June 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	116,935	4,473

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

19 August 2026