

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2013

| | Individual Quarter | | Cumulative Quarter | |
|--|--------------------|----------------|--------------------|----------------|
| | Current Year | Restated | Current Year | Restated |
| | Quarter | Preceding Year | To-date | Preceding Year |
| | 31/03/2013 | 31/03/2012 | 31/03/2013 | 31/03/2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 724,989 | 869,263 | 2,121,645 | 2,532,109 |
| Cost of sales | (650,689) | (861,895) | (1,970,102) | (2,434,967) |
| Gross profit | 74,300 | 7,368 | 151,543 | 97,142 |
| Operating expenses | (43,129) | (36,677) | (107,553) | (105,141) |
| Other operating income | 3,934 | 9,209 | 9,120 | 16,635 |
| Profit/(loss) from operation | 35,105 | (20,100) | 53,110 | 8,636 |
| Finance costs | (6,142) | (8,423) | (20,709) | (25,818) |
| Share of loss of associates | (3,650) | (422) | (8,518) | (86) |
| Profit/(loss) before taxation | 25,313 | (28,945) | 23,883 | (17,268) |
| Taxation | (6,468) | 5,704 | (5,261) | 1,509 |
| Profit/(loss) for the period | 18,845 | (23,241) | 18,622 | (15,759) |
| Attributable to: | | | | |
| Owners of the company | 18,257 | (22,781) | 17,955 | (14,098) |
| Non-controlling interests | 588 | (460) | 667 | (1,661) |
| Profit/(loss) for the period | 18,845 | (23,241) | 18,622 | (15,759) |
| Earnings/(loss) per ordinary share (sen): - | | | | |
| - Basic and fully diluted | 4.4 | (5.4) | 4.3 | (3.4) |

The Condensed Consolidated Income Statements 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 THIRD QUARTER ENDED 31 MARCH 2013

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2013

| | Individual Quarter | | Cumulative Quarter | |
|---|-------------------------|--|-------------------------|---|
| | Current Year Quarter | Restated Preceding Year Corresponding Quarter | Current Year To-date | Restated Preceding Year Corresponding Period |
| | | 31/03/2012 RM'000 | | 31/03/2012 RM'000 |
| Profit/(loss) for the period | 18,845 | (23,241) | 18,622 | (15,759) |
| Fair value gain/(loss) on available-for-sale financial assets | 1,054 | 3,051 | 5,573 | (2,951) |
| Foreign currency translation differences for foreign operations | 81 | (1,486) | (1,455) | 607 |
| Total comprehensive income/(expense) for the period | 19,980 | (21,676) | 22,740 | (18,103) |
| Total comprehensive income/(expense) attributable to: | | | | |
| Owners of the Company | 19,392 | (21,218) | 22,074 | (16,439) |
| Non-controlling interests | 588 | (458) | 666 | (1,664) |
| Total comprehensive income/(expense) for the period | 19,980 | (21,676) | 22,740 | (18,103) |

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)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

| | As At End of Current Quarter 31/03/2013 RM'000 | Restated As at End of Preceding Financial Year 30/06/2012 RM'000 | As at beginning of preceding Financial Year 01/07/2011 RM'000 |
|--|--|---|---|
| ASSETS | | | |
| Property, plant and equipment | 914,540 | 804,725 | 695,096 |
| Goodwill on consolidation | 30,256 | 48,991 | 48,991 |
| Investment in associates | 82,956 | 17,847 | 17,768 |
| Other investments | 3,234 | 31,510 | 2,771 |
| Deferred tax assets | 10,191 | 13,909 | 10,331 |
| Tax credit receivables | 14,627 | 18,044 | 22,136 |
| Total non-current assets | 1,055,804 | 935,026 | 797,093 |
| Inventories | 573,869 | 700,842 | 1,040,568 |
| Trade and other receivables | 279,451 | 228,534 | 252,348 |
| Current tax assets | 10,292 | 11,031 | 14,169 |
| Derivative financial assets | - | - | 199 |
| Deposits, cash and bank balances | 88,005 | 66,490 | 199,401 |
| Total current assets | 951,617 | 1,006,897 | 1,506,685 |
| TOTAL ASSETS | 2,007,421 | 1,941,923 | 2,303,778 |
| EQUITY | | | |
| Share capital | 411,467 | 411,467 | 411,467 |
| Reserves | 455,906 | 442,220 | 484,754 |
| Total equity attributable to owners of the Company | 867,373 | 853,687 | 896,221 |
| Non-controlling interests | (861) | (1,527) | - |
| TOTAL EQUITY | 866,512 | 852,160 | 896,221 |
| LIABILITIES | | | |
| Borrowing | 184,075 | 24,619 | - |
| Retirement benefits | 24,112 | 29,543 | 28,174 |
| Deferred tax liabilities | 26,173 | 19,790 | 29,026 |
| Deferred income | 19,468 | 20,611 | 22,136 |
| Total non-current liabilities | 253,828 | 94,563 | 79,336 |
| Retirement benefits | 700 | 725 | 772 |
| Trade and other payables | 222,610 | 266,547 | 294,574 |
| Borrowings | 663,376 | 727,850 | 1,032,870 |
| Current tax liabilities | - | - | 5 |
| Derivative financial liabilities | 395 | 78 | - |
| Total current liabilities | 887,081 | 995,200 | 1,328,221 |
| TOTAL LIABILITIES | 1,140,909 | 1,089,763 | 1,407,557 |
| TOTAL EQUITY AND LIABILITIES | 2,007,421 | 1,941,923 | 2,303,778 |
| Net assets per share attributable to owners of the Company (RM) | 2.07 | 2.04 | 2.14 |

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.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 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 | RM'000 |
| Current year-to-date ended 31 March 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 | - | - | - | - | - | - | 9,379 | 9,379 | - | 9,379 |
| At 1 July 2012, as restated | 411,467 | 35,852 | 30,000 | 50 | (5,556) | 2,005 | 379,869 | 853,687 | (1,527) | 852,160 |
| Other comprehensive income/(expense) | | | | | | | | | | |
| - fair value gain/(loss) on available-for-sale financial assets | - | - | - | - | 5,574 | - | - | 5,574 | (1) | 5,573 |
| - foreign currency translation differences for foreign operations | - | - | - | - | - | (1,455) | - | (1,455) | - | (1,455) |
| Profit for the period | - | - | - | - | - | - | 17,955 | 17,955 | 667 | 18,622 |
| Total comprehensive income/(expense) for the period | - | - | - | - | 5,574 | (1,455) | 17,955 | 22,074 | 666 | 22,740 |
| Dividends | - | - | - | - | - | - | (8,388) | (8,388) | - | (8,388) |
| At 31 March 2013 | 411,467 | 35,852 | 30,000 | 50 | 18 | 550 | 389,436 | 867,373 | (861) | 866,512 |

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2013 (CONTINUED)

| | ← Attributable to owners of the Company → | | | | | | | | | Total equity |
|---|---|---------------|----------------|----------------------------|--------------------|------------------------------|-------------------|----------|---------------------------|--------------|
| | ← Non-distributable → | | | | | | Distributable | | Non-controlling interests | |
| | Share capital | Share premium | Merger reserve | Capital redemption reserve | Fair value reserve | Exchange fluctuation reserve | Retained earnings | Total | | |
| 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 31 March 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 | - | - | - | - | - | - | 11,946 | 11,946 | - | 11,946 |
| At 1 July 2011, as restated | 411,467 | 35,852 | 30,000 | 50 | 3,221 | - | 415,631 | 896,221 | - | 896,221 |
| Other comprehensive (expense)/income | | | | | | | | | | |
| - fair value loss on available-for-sale financial assets | | | | | | | | | | |
| - foreign currency translation differences for foreign operations | - | - | - | - | - | 607 | - | 607 | - | 607 |
| Loss for the period | - | - | - | - | - | - | (14,098) | (14,098) | (1,661) | (15,759) |
| Total comprehensive (expense)/income for the period | - | - | - | - | (2,948) | 607 | (14,098) | (16,439) | (1,664) | (18,103) |
| Dividends | - | - | - | - | - | - | (20,971) | (20,971) | - | (20,971) |
| At 31 March 2012, as restated | 411,467 | 35,852 | 30,000 | 50 | 273 | 607 | 380,562 | 858,811 | (1,664) | 857,147 |

The Condensed Consolidated Statements of Changes in Equity 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 THIRD QUARTER ENDED 31 MARCH 2013

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2013

| | Current Year To-date | Restated Preceding Year Corresponding Period |
|---|-------------------------|---|
| | 31/03/2013 RM'000 | 31/03/2012 RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/(loss) before taxation | 23,883 | (17,268) |
| Adjustments for:- | | |
| Depreciation and amortisation | 57,009 | 62,878 |
| Net financing cost | 20,340 | 25,207 |
| Share of loss of associate | 8,518 | 86 |
| Other non-cash items | (919) | 7,078 |
| Operating profit before changes in working capital | 108,831 | 77,981 |
| Changes in working capital | | |
| Net change in current assets | 17,092 | 335,963 |
| Net change in current liabilities | (41,926) | (80,602) |
| Retirement benefits paid | (1,188) | (1,320) |
| Interest paid | (18,704) | (23,782) |
| Taxation paid | (2,908) | (14,756) |
| Net cash generated from operating activities | 61,197 | 293,484 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Acquisition of available-for-sale financial assets | - | (33,895) |
| Acquisition of property, plant and equipment | (212,734) | (171,377) |
| Proceeds from disposal of property, plant and equipment | 33 | 220 |
| Proceeds from disposal of available-for-sale financial assets | 35,046 | - |
| Investment in associates | (361) | - |
| Net cash inflow from disposal of subsidiaries | 9,411 | - |
| Interest received | 193 | 471 |
| Dividend received | 19 | 469 |
| Net cash used in investing activities | (168,393) | (204,112) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net drawdown/(repayment) of borrowings | 122,577 | (166,375) |
| Dividends paid | (8,388) | (20,971) |
| Net cash generated from/(used in) financing activities | 114,189 | (187,346) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 6,993 | (97,974) |
| CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD | 57,901 | 190,970 |
| EFFECT ON FOREIGN EXCHANGE | (332) | (424) |
| CASH & CASH EQUIVALENTS AT END OF PERIOD | 64,562 | 92,572 |

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2013 (CONTINUED)

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

| | 31/03/2013 RM'000 | 31/03/2012 RM'000 |
|----------------------------------|----------------------|----------------------|
| Deposits, cash and bank balances | 88,005 | 110,324 |
| Bank overdraft | (23,443) | (17,752) |
| | <hr/> 64,562 | <hr/> 92,572 |

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 THIRD QUARTER ENDED 31 MARCH 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, which were prepared under the Financial Reporting Standards. 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 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 a tax credit receivables and deferred income accordingly.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 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 quarter ended 31 March 2012

| | As previously reported for the quarter ended 31/03/2012 RM'000 | Effect of adoption of MFRS | | As restated for the quarter ended 31/03/2012 RM'000 |
|------------------------|---|----------------------------|---------------------|--|
| | | RM'000 Note 1(a) | RM'000 Note 1(b) | |
| Other operating income | 8,828 | - | 381 | 9,209 |
| Loss before tax | (29,326) | - | 381 | (28,945) |
| Tax expenses | 3,711 | - | 1,993 | 5,704 |
| Loss after tax | (25,615) | - | 2,374 | (23,241) |

Reconciliation for the nine months ended 31 March 2012

| | As previously reported for the year ended 31/03/2012 RM'000 | Effect of adoption of MFRS | | As restated for the year ended 31/03/2012 RM'000 |
|------------------------|--|----------------------------|---------------------|---|
| | | RM'000 Note 1(a) | RM'000 Note 1(b) | |
| Other operating income | 15,492 | - | 1,143 | 16,635 |
| Loss before tax | (18,411) | - | 1,143 | (17,268) |
| Tax expenses | 2,120 | - | (611) | 1,509 |
| Loss after tax | (16,291) | - | 532 | (15,759) |

Condensed Consolidated Statements of Changes in Equity

Reconciliation of the affected financial caption reported as at 31 March 2012

| | As previously reported at 31/03/2012 RM'000 | Effect of adoption of MFRS | | As restated At 31/03/2012 RM'000 |
|-------------------|--|----------------------------|---------------------|-------------------------------------|
| | | RM'000 Note 1(a) | RM'000 Note 1(b) | |
| Retained earnings | 368,084 | 11,946 | 532 | 380,562 |

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013

The figures have not been audited

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 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

During the financial year-to-date, the Company paid an interim dividend of 2.0 sen per share tax exempt amounting to RM8.4 million on 18 December 2012.

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 | 28,868 | 3,533 | 32,401 |

Included in the measure of segment profit are:

| | | | |
|-------------------------------|-----------|--------|-----------|
| External revenue | 2,111,080 | 10,565 | 2,121,645 |
| Depreciation and amortisation | (56,991) | (18) | (57,009) |
| Finance cost | (20,709) | - | (20,709) |

Reconciliation of segment profit/(loss) to consolidated profit

| | |
|-------------------------------------|---------------|
| | RM'000 |
| Reportable segments | 32,401 |
| Share of loss of associates | (8,518) |
| Consolidated profit before taxation | 23,883 |

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013

The figures have not been audited

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, restructuring and discontinuing operations.

11. Review of performance

For the quarter under review, the Group revenue reduced to RM725.0 million from RM869.3 million in the corresponding quarter of the preceding financial year due to lower selling price and sales volume. However, better margin from lower material cost enabled the Group to turnaround from a loss before taxation (“LBT”) of RM28.9 million in the corresponding quarter of FY 2012 to a profit before taxation (“PBT”) of RM25.3 million in the quarter under review.

For the financial year-to-date, the Group had recorded a revenue of RM2,121.6 million and PBT of RM23.9 million respectively compared with revenue of RM2,532.1 million and LBT of RM17.3 million in corresponding period of FY 2012.

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

The Group’s revenue and PBT for the quarter under review were RM725.0 million and RM25.3 million respectively as compared with the preceding quarter’s revenue of RM692.5 million and LBT of RM10.0 million. The higher revenue was mainly due to improved selling price and sales volume, giving a higher PBT for the quarter under review.

13. Prospects

The international economic environment appears to be more settled with China coming out of its soft landing, the US economy showing signs of growing and the new Japanese Government pushing for growth. But unfortunately, the operating environment for the steel industry remains highly challenging with severe dumping by the Chinese steel mills. Chinese steel has depressed prices and margins, both domestically and internationally to such an extent that most Chinese mills lost money in 2012 and put tremendous pressure on the steel mills of other countries. The dumping has triggered trade actions by various governments.

Recently, the Malaysian Government has also started to implement trade measures to control the rampant imports which came in under misleading grade declaration or abuse of trade rules. This has enabled some recovery of prices and margins in the domestic market. The Board therefore believes that with the improvement in the market place, the fourth quarter performance will continue to improve.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013

The figures have not been audited

14. Profit forecast/profit guarantee

This note is not applicable.

15. Profit before taxation

| | Current Year Quarter 31/03/2013 RM'000 | Current Year To-date 31/03/2013 RM'000 |
|--|---|---|
| Profit before taxation is arrived at after charging/(crediting) :- | | |
| Finance income | (146) | (368) |
| Gross dividend income from other investments | - | (7) |
| Depreciation and amortization | 18,968 | 57,009 |
| Allowance for impairment loss on trade receivables | 103 | 595 |
| Allowance for inventories obsolescence | 4,944 | 194 |
| Gain on disposal of subsidiaries | - | (4,781) |
| Gain on disposal of available-for-sale financial assets | (2,319) | (2,319) |
| (Gain)/loss on foreign exchange | (1,065) | 930 |
| Fair value loss on derivative instruments | 388 | 351 |
| Impairment of property, plant and equipment | - | - |

16. Taxation

| | Individual Quarter | | Cumulative Quarter | |
|-------------------------------|---|--|---|---|
| | Current Year Quarter 31/03/2013 RM'000 | Preceding Year Corresponding Quarter 31/03/2012 RM'000 Restated | Current Year To-date 31/03/2013 RM'000 | Preceding Year Corresponding Period 31/03/2012 RM'000 Restated |
| Current taxation (Malaysian): | | | | |
| - Current year | 3,754 | (793) | 6,710 | 1,475 |
| Deferred taxation: | | | | |
| - Current year | 2,714 | (4,911) | (1,449) | (2,984) |
| | 6,468 | (5,704) | 5,261 | (1,509) |

The Group's effective tax rate for the financial year-to-date was lower than statutory tax rate mainly due to certain income of the Group were not subject to tax.

17. Corporate proposal

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013

The figures have not been audited

18. Group's borrowings and debt securities

Particulars of the Group's borrowings and debt securities as at 31 March 2013 are as follows: -

| | RM'000 |
|---------------------------------|----------------|
| Unsecured long term borrowings | 184,075 |
| Unsecured short term borrowings | 663,376 |
| | <u>847,451</u> |

There were no borrowings denominated in foreign currencies as at 31 March 2013.

19. Changes in material litigation

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

20. Dividend

- (a) The Board has declared a second interim dividend of 5.0 sen per share tax exempt for the quarter ended 31 March 2013 of the financial year ending 30 June 2013 (3rd quarter 2011/2012 : 5.0 sen per share tax exempt) to be paid on 29 May 2013 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 16 May 2013.

This is to inform that a Depositor shall qualify for the entitlement only in respect of: -

- (i) shares transferred into the Depositor's securities account before 4.00 p.m. on 16 May 2013 in respect of ordinary transfers; and
- (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Bursa Malaysia Securities Berhad's Listing Requirements.
- (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/(loss) per ordinary share
(a) Earnings/(loss) 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 RM18,257,000 (Group's loss attributable to owners of the Company during 3rd quarter 2011/2012 : RM22,781,000) and the weighted average number of ordinary shares during the quarter of 419,417,208 (3rd 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 RM17,955,000 (Group's loss attributable to owners of the Company during financial year-to-date ended 31 March 2012 : RM14,098,000) and the weighted average number of ordinary shares during the period of 419,417,208 (2011/2012 : 419,417,208).

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013

The figures have not been audited

21. Earnings/(loss) per ordinary share (Continued)
(b) Diluted earnings/(loss) 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.

22. Realised and unrealised profits/(losses) disclosure

The retained earnings as at 31 March 2013 and 30 June 2012 are analysed as follows:-

| | As At End of Current Quarter 31/03/2013 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 | 446,053 | 510,530 |
| -Unrealised | (10,862) | (5,600) |
| | 435,191 | 504,930 |
| Total share of retained earnings of associates:- | | |
| - Realised | 4,015 | 12,195 |
| - Unrealised | - | 152 |
| | 4,015 | 12,347 |
| | 439,206 | 517,277 |
| Less: Consolidation adjustments | (49,770) | (137,408) |
| Total Group's retained earnings | 389,436 | 379,869 |

By Order of the Board
Southern Steel Berhad

Ting Kok Keong
Company Secretary

Penang
29 April 2013